



NON-FINANCIAL PERFORMANCE STATEMENT 2023



PANDROL

FRAUSCHER

DCX CHROME



LENOIR-MEC
MAGNETIC SYSTEMS

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01 Introduction

A. Letter from the Chief Executive Officer



We believe that our long-term success depends on our ability to operate responsibly.

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

2023 was an exciting year. We set a new sales record of €1,175 million and made significant progress on the pillars of the *WE Program*, our CSR strategy, focusing on decarbonisation, safety and employee engagement. The year was also marked by the launch of a strategic cycle for our businesses, incorporating a sustainability focus for each company. A digital CSR reporting tool has been deployed to track its implementation. Pandrol has carried out a double materiality analysis, an exercise that the other companies in the group will carry out in 2024.

In terms of the environment, all companies calculated their carbon footprint in 2023, fully integrating scope 3. This assessment will form the basis for the decarbonisation plans with targets for 2030.

In terms of safety at our sites, we have reduced our lost time accident frequency rate by 18% each year since 2017, which is close to the target of -20% set at the time. Each company has made progress in its industry standards and in the adoption by everyone of the behaviours that promote safety in the workplace.

Regarding workforce, 3,461 employees reaffirmed their commitment to working for our Group through our global *WEshare* survey, and 47% of survey participants responded they are 'very satisfied'. Their engagement and feedback are valuable in helping us to continue improving.

Regarding the other two pillars of the *WE Program*, ethics and communities, around 1,000 employees who are most exposed to the risk of corruption have been trained via our e-learning platform to identify and manage situations involving corruption risks. In addition, several community and volunteer actions have been organised at a local level.

I would like to express my gratitude to everyone who contributed to meeting our goals and invite you to read this report carefully and share your feedback and suggestions so that we can continue to make progress towards a more sustainable world."

Guy Talbourdet
Chief Executive Officer, Delachaux Group

B. Global Compact and SDGs

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

In September 2015, the UN member states adopted a sustainable development programme that will run until 2030, which includes 17 Sustainable Development Goals (SDGs) covering virtually all aspects of society. Groupe Delachaux has therefore decided to link its sustainable development commitments and actions to the SDGs. (see *Table: Performance indicators, 2023 results and 2028 targets*)

SUSTAINABLE DEVELOPMENT GOALS





2

ESRS 2 GENERAL DISCLOSURES

A. Basis for preparation

BP-1 - GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY

This non-financial performance statement has been prepared by incorporating several elements required under [Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022](#), which requires companies with more than 500 employees to publish sustainability reporting. The structure of the 2023 Delachaux declaration has also changed to bring it closer to that required by this Directive. The list of CSRD sections for which the Group was unable to respond is given in Appendix 1.

The financial and non-financial data presented were consolidated at the level of the “*Delachaux Group*” legal entity.

BP-2 - DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

The scope of environmental reporting was extended in 2023 to include minor manufacturing sites and several tertiary sites. For workforce data, new data has been added, such as a staff turnover rate breakdown by reason for departure, the number of managers supervising at least one person, and indicators relating to social dialogue and collective bargaining within the company. Changes in measurement have also been made to the indicator of workforce distribution by age, gender and employment status category to bring it into line with CSRD requirements. All these changes are detailed in Appendix 2.

Where these changes give rise to significant discrepancies, they are mentioned in the form of footnotes in the data tables, together with the significant corrections identified in the data for previous years.



B. Group Delachaux at a glance

Key figures for 2023



4 GROUP COMPANIES
have a leading
position in their market

GLOBAL PRESENCE

40 COUNTRIES
are home to employees in a factory
and/or sales and support office
and/or distribution centre.

SALES TURNOVER

€1 175 M

+27% over the past 5 years

SALES BY COMPANY

44%

PANDROL

35%

CONDUCTIX
wamplifier

11%

DCX CHROME

9%

FRAUSCHER

1%

LENOR-MEC
MAGNETIC SYSTEMS

AND REGION



31% EU

29% APAC

29% Americas

12% MEA & other Europe

OUR EMPLOYEES



4 115

EMPLOYEES



51%
EU⁽¹⁾



24%
APAC



17%
Americas



8%
MEA &
other Europe



21%
women

4,1% OF SALES TURNOVER
DEDICATED TO R&D

52 ACTIVE PATENTS

For
120 years
DELACHAUX FAMILY
majority shareholder

(1) Including France 19%

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

Board of directors

The Delachaux Group's Board of Directors consists of eight members, including one woman and two independent members.

- **Mr Stéphane Delachaux**
Chairman (ANDE Investissements)
- **Mr Alain Cianchini**
(Quebec Deposit and Investment Fund)
- **Mr Pierre Durand de Bousingen**
(appointed by ANDE Investissements)
- **Mr Damien Faucher**
(appointed by ANDE Investissements)
- **Mr Jean-Marie Fulconis**
(Independent administrator)
- **Ms Olivia Larmaraud**
(Independent administrator)
- **Mr Lorenzo Levi**
(Quebec Deposit and Investment Fund)
- **Mr Guy Talbourdet**
Chief Executive Officer

The Board of Directors implements its actions through three committees:

- **the Audit, Risk and Ethics Committee** is responsible for overseeing matters relating to the preparation and verification of accounting and financial information and its relevance, risk management and questions relating to ethics. This Non-Financial Performance Statement is submitted to this Committee for review and comment. As part of its mission, this Committee is required to examine the effectiveness of the internal control and risk management systems. It reports to the Management Board on its work and, if necessary, proposes measures to improve internal control mechanisms..
- **the Strategy and CSR Committee** provides the Board of Directors with opinions or recommendations on the definition and implementation of the Group's areas of strategic focus, proposes priorities for growth and selects investment opportunities. It also provides advice and recommendations to the Board of Directors on orienting the Group's CSR strategy to ensure that it contributes to the Group's overall performance.
- **the Nomination and Remuneration Committee** assists the Board of Directors with the composition of the managing bodies of Delachaux and its subsidiaries and the determination and assessment of the remuneration of members of the management team and provides it with advice in relation to remuneration issues of any kind.



Executive Committee

The Delachaux Group Executive Committee (ExCom) has six members.

It includes the managers of the three main companies and the Group's finance and human resources functions. Its task is to "develop the conditions for the success of the Delachaux Group's companies, in particular the Group's sustainable development model".

It meets four times a year and a CSR review is systematically included. Group employees or external participants may be invited to attend, depending on the topics covered.

COMPOSITION OF THE EXCOM AS OF 31 DECEMBER 2023



Mr Guy Talbourdet
*Chief Executive Officer
of Groupe Delachaux*



Mr Bruno Dathis
*Chief Financial Officer
of Groupe Delachaux*



Ms Eléonore Tauveron
*Human Resources Director
of Groupe Delachaux*



Mr Nicolas Groult
*Chief Executive Officer
of Pandrol*



Mr François Bernès
*Chief Executive Officer
of Conductix-Wampfler*



Mr Michael Thiel
*Chief Executive Officer
of Frauscher*

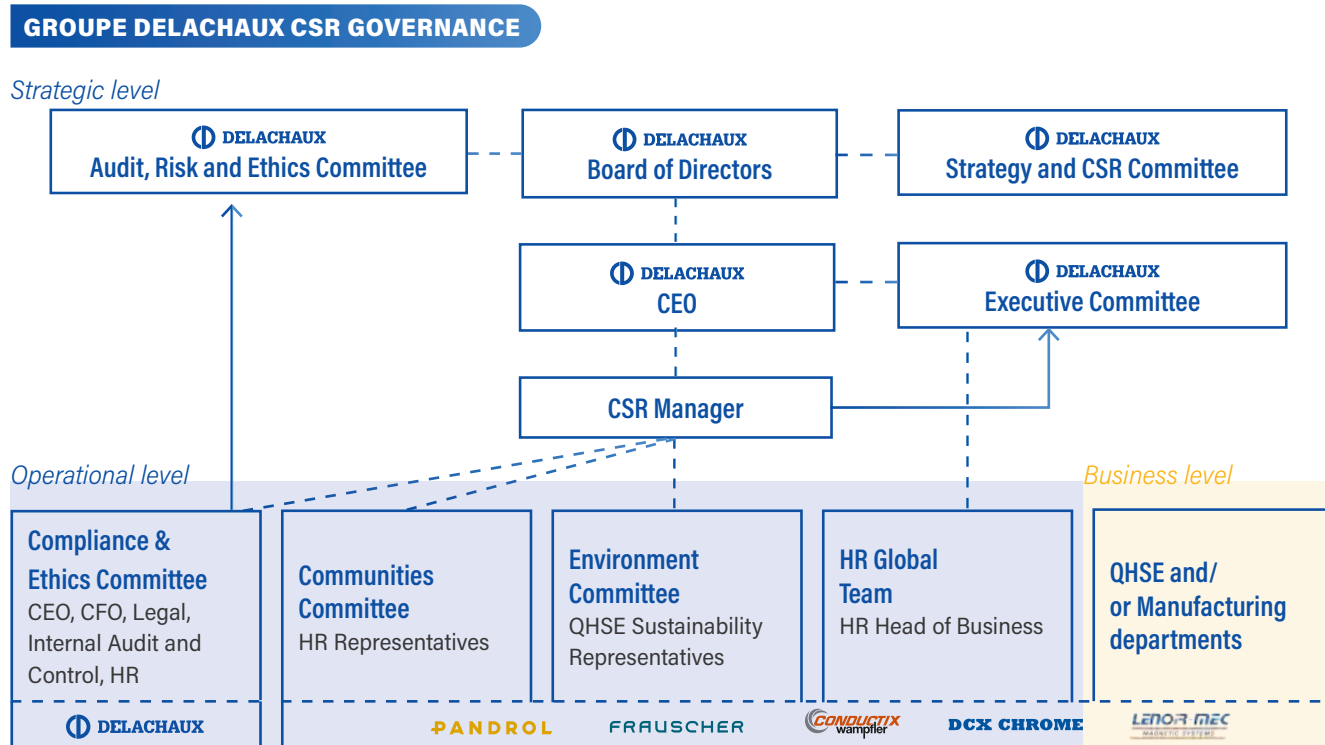
GOV-2 - INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

On the strategic level, the Delachaux Group Executive Committee and the CSR manager define the strategy and objectives of the sustainable development programme, monitor the performance indicators and validate the non-financial report.

The CEO of the Delachaux Group regularly communicates and discusses CSR issues with the Board of Directors.

On an operational level, committees have been set up according to CSR issues to deploy actions in the field and report back on needs. These committees meet regularly and include company representatives.

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



C. Governance

GOV-3 - INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

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

GOV-5 - RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The non-financial report is reviewed and validated by the Delachaux Group Executive Committee and the Audit, Risk and Ethics Committee.

It is also assessed and certified by an independent third party, FINEXFI.

D. Strategy

SBM-1 - STRATEGY, BUSINESS MODEL AND VALUE CHAIN

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

Group strategy

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

MEGATREND

Urbanisation

Green mobility

Digitalisation

Energy efficiency

Infrastructures safety and sustainability

RESOURCES & STRENGTHS

Sizeable Group

4,115 employees

Global presence and local roots

40 production sites in 18 countries
48 sales and distribution entities in 33 countries

Innovation capacity

4,1% of turnover dedicated to R&D
24 R&D centres/innovation offices
529 employees in R&D department
52 active patents

Long-term investment

Delachaux family majority shareholder for over 120 years

Ethical and civic commitment

Code of Ethics
Anti-corruption policy
Delachaux Solidarity Fund

Responsible industry

Carbon footprints audits since 2018
for scope 1&2 and scope 3 in 2019 and 2023

SAVOIR-FAIRE



Global player in engineering and industrial solutions for strategic markets, mainly the rail sector, port industry, intralogistics and aeronautics.

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

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

Our commitment - WE Program

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

Our 5 businesses:

- Rail Infrastructure
- Rail signalling
- Energy and data managementsystems
- Chrome metal
- Magnetism



SUSTAINABLE VALUE CREATION

Employees

Leadership training for managers since 2019 (detail p.38,47)
21% women, including 17% managers
89% participation in the 2023 engagement survey and 47% of employees very satisfied (detail p.38, 41)
66% fewer lost-time accidents between 2017-23

Finance

Turnover of 1175 M€, i.e., 27% growth in 5 years (since 2018)
Turnover spread evenly over the 3 continents (detail p.25)
205,4 million in gross compensation paid
39 M€ M€ in taxes paid worldwide ⁽¹⁾

Social

Regular training of employees to the Code of Ethics since 2019 (details p.52)
Anti-corruption training for employees since 2018 (details p.52)
Volunteering and patronage development (details p.54)

Environment

23% reduction in greenhouse gas emissions (tCO2eq) in Scope 1+2 for Delachaux and 11% reduction in GHG emissions in scope 3 for Pandrol and Frauscher between 2019 and 2023
11 EPD certifications⁽²⁾ achieved

1) This figure corresponds to the amount of tax paid by the Group companies on their taxable profits, excluding the amount paid in respect of other taxes, duties and contributions. It should be noted that approximately one third of this amount is not paid to the tax authorities but is paid to the ultimate controlling party of a national tax group, a group showing a tax loss.

(2) EPD: Environmental Product Declaration

PANDROL

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

Pandrol's business comprises five product lines:

- Fastening systems for all track types
- Aluminothermic rail welding
- Equipment used or necessary for railway construction and maintenance
- Electrification through a comprehensive product portfolio for urban transport systems
- Sustainable resilient solutions (SRS) to mitigate noise and vibration on rail networks

STAKEHOLDER MAP

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

PANDROL

<https://www.pandrol.com>



DOUBLE MATERIALITY MATRIX

The main materiality issue associated with a high financial risk is the environment, including climate change and energy, followed by the circular economy, then ethics and corruption risks, and finally Pandrol employment issues related to social dialogue, training and skills development.

PANDROL

Impact materiality

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

Finance materiality

Methodology notes in Appendix 3

CSR STRATEGY

Pandrol's new "On-Track 2028" strategy fully integrates sustainable development, mainly through reducing greenhouse gas emissions, extending product lifespan and reusing products.

Based on discussions with stakeholders and the completion of the double materiality matrix, in 2024 Pandrol will draw up an action plan incorporating the main materiality issues and put in place the respective indicators to measure progress.

CSR RECOGNITION

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



PANDROL



FRAUSCHER

Track more with less: Frauscher wheel sensors and axle counters make it easier for system integrators and railway operators to obtain the information they need.

The intelligent and highly reliable products generate precise data for a wide range of railway applications. Various interfaces and supportive software tools make integration, commissioning, operation and maintenance even simpler. This package lets the customers harness the full potential of digitalisation. With a worldwide network of locations and partners, they ensure a strong supply chain and optimum customer support around the globe.

FRAUSCHER

CSR APPROACH

Frauscher focused mainly on the environmental issue through its own energy production on main site, the analysing of life cycle & energy consumption of their products, the local supplier's management, and the e-mobility of employees.

The social aspect is also particularly important on people skills development, training, safety and the mental well-being of all employees worldwide.

Frauscher will start its stakeholders mapping and double materiality analysis in 2024 with an international project team.

CSR RECOGNITION

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



<https://www.frauscher.com>



CONDUCTIX-WAMPFLER

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

The main products supplied by Conductix-Wampfler are:

- Conductor rails for power transmission.
- Cable festoon systems designed to support, protect and transport flat and round power and/or data cables.
- Reeling systems (motorised or spring-driven), used to wind cables or hoses automatically for different types of mobile equipment
- Inductive power transfer system to supply electrical power contactless.
- Solutions for autonomous vehicle.
- Conveyor control systems.

Conductix-Wampfler is present on many markets, especially material handling, automotive, intralogistics and urban transport.



CSR APPROACH

Decarbonisation is at the heart of Conductix-Wampfler's new strategy up through 2028.

The year 2023 was dedicated to raising awareness among teams around the world on climate change topics, through the climate fresco, measuring scope 3 greenhouse gas emissions for the 4 major sites (72% of turnover) and completing the first LCA¹ of a product.

In 2024, scope 3 calculation will be extended to all Conductix-Wampfler production sites and the results will be used to build an action plan. LCA software will be selected and deployed across all sites which have a Research and Development department, with specific training based on a product lifecycle analysis. ESG supplier management tools will be deployed, with a strong commitment to involving the entire value chain.

* Life Cycle Assessment



DCX CHROME

DCX Chrome is the world's leading producer of high purity chromium metal used in the production of superalloys and special steels, especially for the aviation and energy sectors.

DCX Chrome offers various grades of aluminothermic chromium metal: chromium metal with a purity of 99.4% to 99.9%, standard or vacuum-grade, degassed high purity DDB, chromium powders, chromium nitride and chromium carbide, produced to customer specifications.

CSR APPROACH

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

CSR RECOGNITION



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

DCX CHROME

<https://dcx-chrome.com>



LENOIR-MEC

Lenoir-MEC develops and markets magnetic systems for industrial sorting and lifting operations.

CSR APPROACH

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

<https://www.raoul-lenoir.com>

LENOIR-MEC
MAGNETIC SYSTEMS

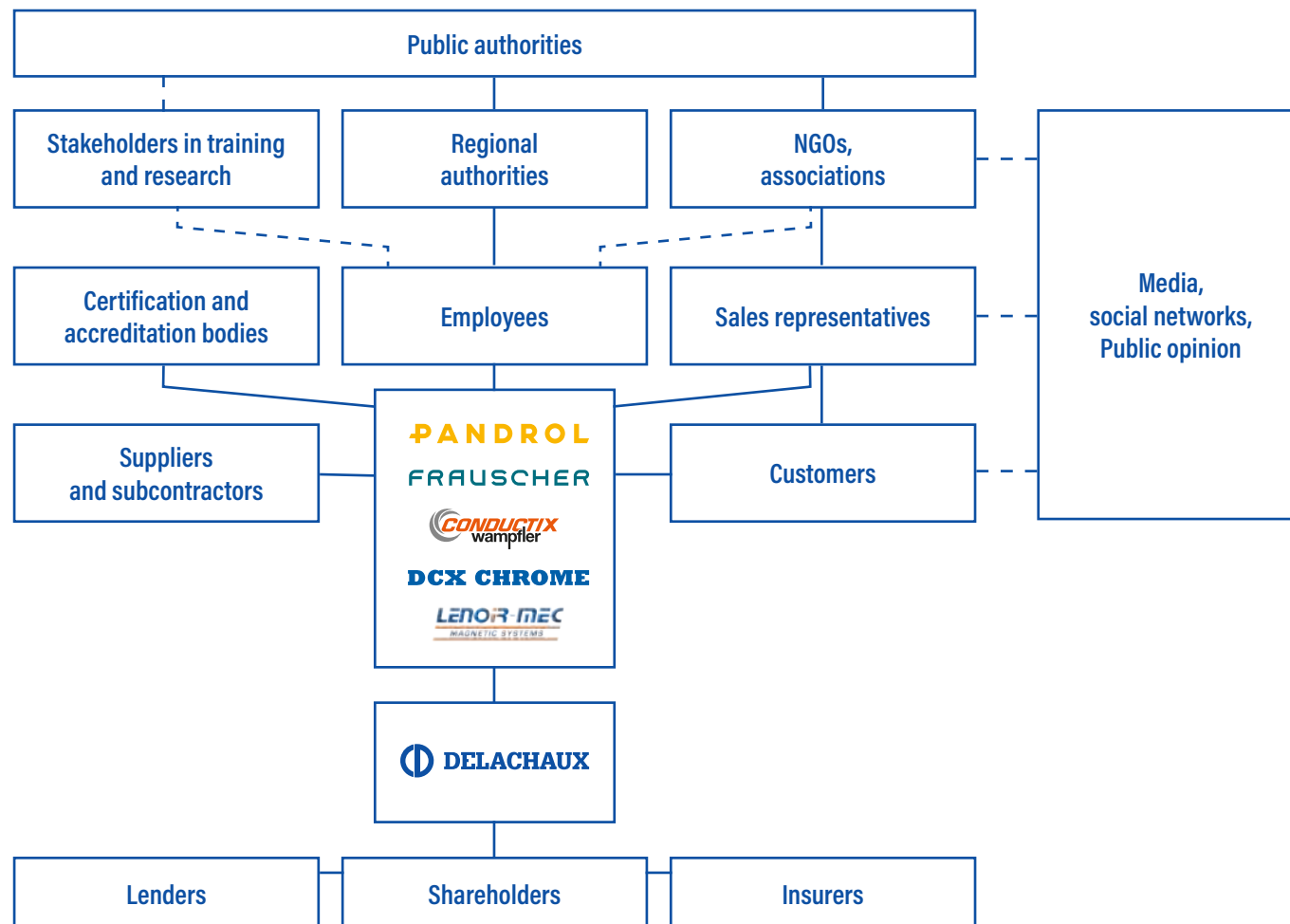


SBM-3 - INTERESTS AND VIEWS OF STAKEHOLDERS

The stakeholder mapping was carried out following an analysis of our main stakeholders, such as our customers, suppliers, competitors and business partners, to compare the Delachaux Group's CSR practices with sector and industry standards.

This comparative analysis was carried out in 2019 and covered a sample of 12 competitors, 8 suppliers, 14 customers and 14 professional associations, based on publicly available information.

MAP OF GROUPE DELACHAUX STAKEHOLDERS



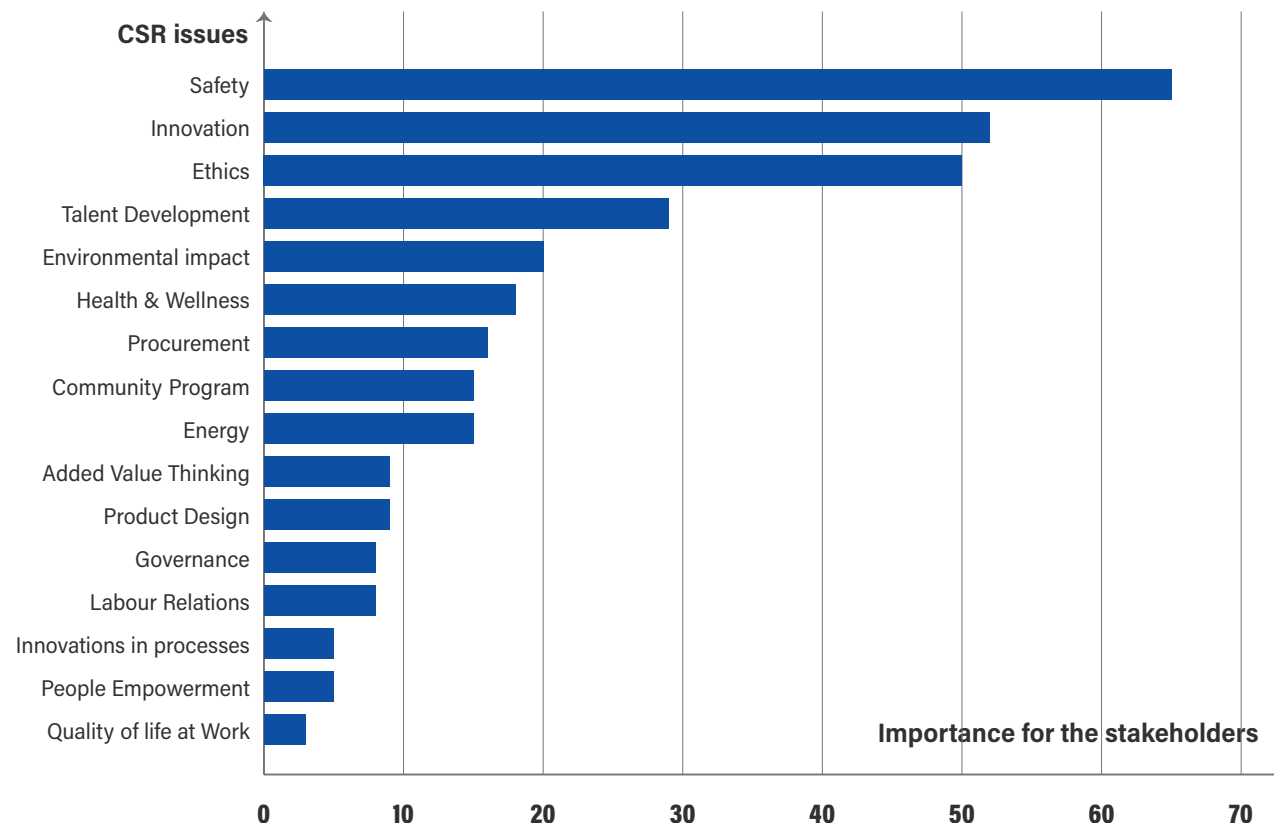
SBM-3 - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Materiality analysis

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

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

MATERIALITY ANALYSIS OF THE DELACHAUX GROUP



D. Strategy

CSR strategy

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

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



Lead by example in our practices and have a positive footprint for sustainable development

The Delachaux Businesses commit to:






















E. Impact, risk and opportunity management

DISCLOSURES ON THE MATERIALITY ASSESSMENT PROCESS - MINIMUM DISCLOSURE REQUIREMENT ON POLICIES AND ACTIONS

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



F. Metrics and targets

		FOCUS/KPI	2023 RESULTS	2028 TARGET	MAIN SDG'S RELATED ⁽¹⁾
CSR PILARS Safety Ethic Environment Leadership Community		Accident frequency rate ⁽²⁾ - FRI'	FRI' = 4,3	TFI' = 2 Annual reduction of 14% from 2024 to 2028	
		Anti-bribery - Risks and mitigation actions	952 leader and senior members most exposed to corruption risks and bribery within the group trained on anti-bribery	Deploy businesses' action plans for anti-bribery. Train targeted population	
		Greenhouse gas emission reduction on scope 1+2+ 3 from 2019 onwards	36,413 t eqCO2 scopes 1+2 - 23% of Delachaux GHG ⁽³⁾ emissions 453 933 t eqCO2 scopes 3 - 11% of GHG emissions Pandrol and Frauscher	By 2030, reduce the Group's greenhouse gas emissions by 4.2%/year for scope 1 and 2 and 2.5%/year for scope 3.	   
		Employees' participation rate to the global engagement survey "WEshare". Global score on employees' engagement for their work ⁽⁴⁾	89% of participation rate for WEshare in 2023 47% of employees highly satisfied	Deployment of WEshare action plans. Improvement in the participation rate and the % of people who are very satisfied.	  
		Organizing and supporting volunteering and philanthropic activities around 3 topics: solidarity, education and Environment	First use of "Delachaux Solidarity fund" in Austria	Develop action with local communities through volunteering and with the support of Delachaux Solidarité	    

(1) United Nations Sustainable Development Goals

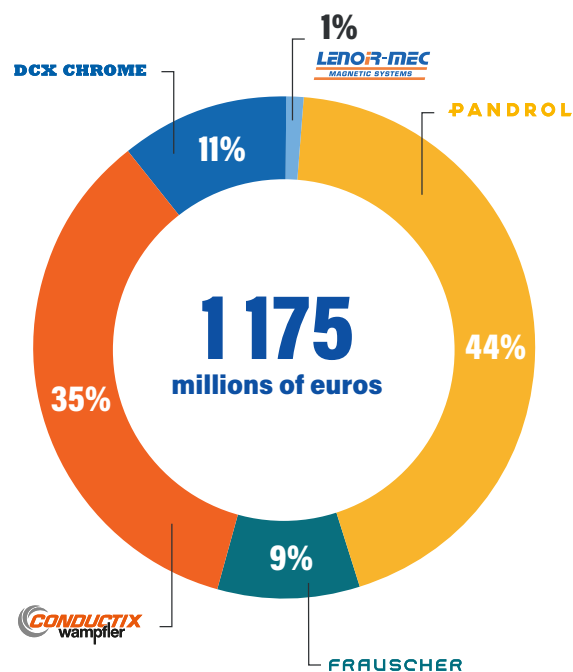
(2) Number of lost-time accidents/million hours worked, all employees, including temporary staff.

(3) Greenhouse gases

(4) Refers to the question: «Overall, how satisfied am I with working for the Group?»

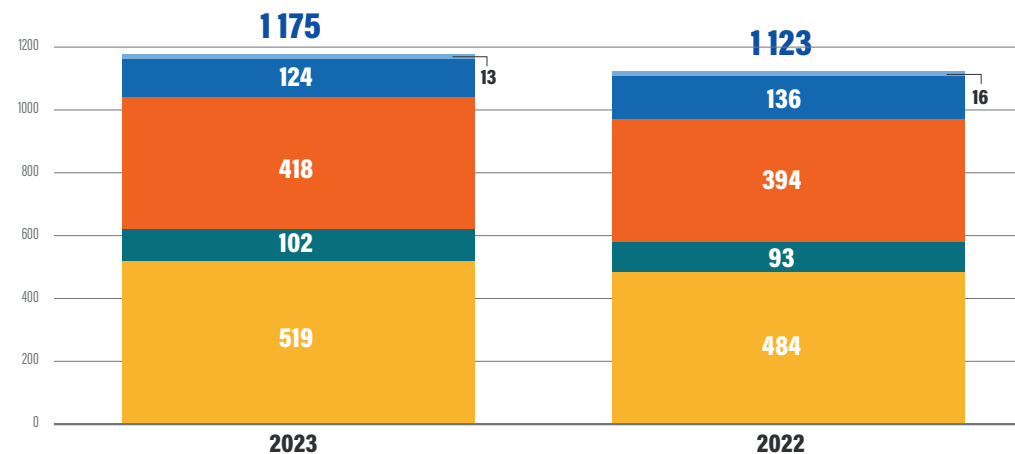
G. Group financial results

SALES TURNOVER BY BUSINESS



SALES TURNOVER BY BUSINESS

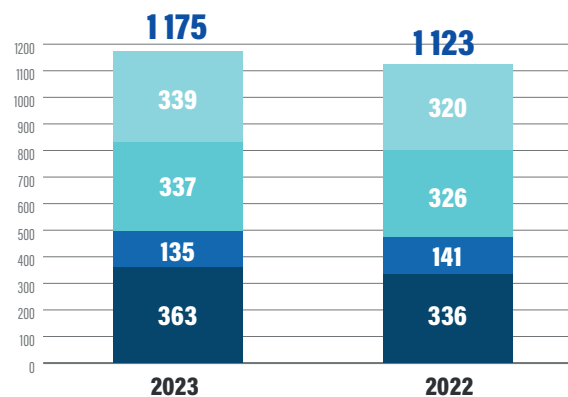
(in millions of euros)



Pandrol Frauscher Conductix-Wampfler DCX Chrome Other Activities⁽²⁾

SALES TURNOVER BY REGION OF DESTINATION

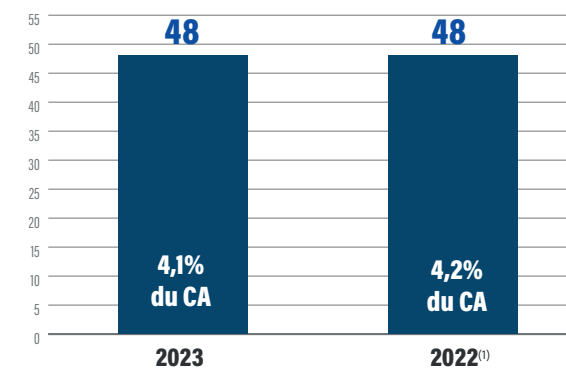
(in millions of euros)



EU MEA - Other Europe Americas APAC

RESEARCH AND DEVELOPMENT EXPENDITURE

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



R&D costs

(1) The figure for 2022 was adjusted downwards by excluding the subsidiary Sensonic to ensure data comparable to 2023.

(2) In 2022, Other activities includes Lenoir-MEC and KLK and in 2023 only Lenoir-MEC.



3

**ESRS E1
CLIMATE
CHANGE**

E1-1 - TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

In 2023, the Group's companies carried out a new estimate of their greenhouse gas emissions on scopes 1+2+3, following an initial estimate in 2019; the detailed results and their analyses will enable them to update and adjust their transition plans.

The decarbonisation levers and actions are different depending on the business, here are the main ones at Group level, which are likely to change after the detailed analysis of scope 3 in 2023:

- Pandrol: reducing the carbon footprint of products by developing environmental product declarations (EPDs) and eco-design initiatives; reducing the carbon footprint of our supplies, particularly steel and plastic resins purchased, by switching to suppliers using low-carbon technologies and/or low-carbon electricity; developing the commitment of our suppliers by questioning and reviewing their results, action plans and decarbonisation targets; improving the energy efficiency of factories by carrying out energy audits, installing smart meters and making long-term investments, such as replacing gas ovens with electric ovens and installing solar panels on sites; for the equipment and controls (QCE) product line, reducing the electricity consumption of products during use by improving their energy efficiency.
- Frauscher: reducing the electricity consumption of products during use by improving their energy efficiency.

- Conductix-Wampfler: improving the energy efficiency of its plants through energy audits, ISO 14001 certification of production sites and a long-term investment plan including the deployment of solar panels; reducing the carbon footprint of its products through an eco-design approach, in particular by using less carbon-intensive and/or recycled materials; reducing the electricity consumption of its products during use by improving their energy efficiency; reducing the impact of product transport by reducing the amount of product packaging, using transporters that emit less carbon and purchasing from local suppliers.

- DCX Chrome: reducing the carbon footprint of purchased chromium oxide and aluminium powder through suppliers migrating to low-carbon technologies and/or using low-carbon electricity; reducing emissions linked to chromium production by improving the energy efficiency of plant equipment.

E1-3 -ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In 2023, Pandrol asked its steel, castings and plastic resin suppliers to commit to measuring and reducing the carbon footprint of their products. Gas furnaces at its French sites in Douai (fastener manufacturing) and Raismes (production of moulds for rail welding) have been replaced by electric furnaces. Pandrol has also purchased guarantees of renewable origin for the electricity supply of its main sites in Brazil, France and the United Kingdom representing the equivalent of 3,000 tonnes of CO₂.

The Frauscher site in Sankt-Marienkirchen, Austria, is heated using wood chips collected in the region. For electricity, additional solar panels and LED luminaires were installed there. To reduce emissions from employee travel, a car sharing app has been rolled out since 2021, the proportion of electric or hybrid vehicles has been increased, and additional electric charging stations have been installed.

Conductix-Wampfler conducted an initial product life cycle analysis at its Belley site in France, with the aim of deploying life cycle analysis and eco-design tools across its research and development hubs. Solar panels were installed at 2 sites in Italy and Australia.

At DCX Chrome, the compressed air system has been optimised, reducing power consumption by 5% compared to 2021.

In 2023, Lenoir improved the energy efficiency of its premises by installing external insulation, triple-glazed windows, a reversible heating/air conditioning system to replace basic radiators, and by switching to 100% LED lighting.



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

At the Group level, the scope of the environmental report was extended in 2023:

- it now covers 100% of its 40 production sites, compared to 33 previously,
- and coverage of all types of sites increased from 47 to 75 out of a total of 95. The newly included sites represent 5% of the total scope 1+2 covered in the 2023 report. The 20 sites not covered are tertiary sites which represent a total of 1% of the Group's workforce.

In 2023, the Group achieved the greenhouse gas emissions reduction targets set in 2021:

- The Group's scope 1+2 emissions (market-based) fell from 47,074 to 36,413 tCO₂eq between 2021 and 2023, a reduction of 23% compared with a target of 6%. The main factor is the reduction of more than 10,000 tCO₂e in emissions from Pandrol Intercast & Forge in Australia, due both to the reduction in activity and therefore in electricity consumption, and to the sharp reduction in the electricity emission factor for South Australia.

- Scope 1+2+3 emissions from Pandrol and Frauscher (market-based) rose from 446,000 to 451,838 tCO₂eq between 2019 and 2023. However, the scope of the 2023 inventories has been significantly extended compared with 2019. On a like-for-like basis, the 2023 emissions are 394,838 tCO₂eq, a reduction of 11%, compared with a target of 10%.

Based on the scope 1+2+3 assessment communicated below, a new objective has been defined for 2030: to reduce the Group's greenhouse gas emissions by 4.2%/year for scope 1 and 2 and 2.5%/year for scope 3,

using the methodology developed by the Science-Based Targets initiative.

The detailed figures for the target will be defined once the 2023 assessment has been fully completed.

E1-5 - ENERGY CONSUMPTION AND MIX

Group energy consumption and energy mix*	2023 (mWh)	2023 (%)
Consumption of petroleum products	6 974	
Natural gas consumption	61 159	
Consumption of other fossil fuels	733	
Total fossil fuel energy consumption	68 866	41,9
Electricity or heat consumption of undetermined or combined origin	65 408	39,8
Consumption of electricity (*) or heat from renewable sources	29 885	
Self-produced renewable energy consumption	170	
Total renewable energy consumption	30 055	18,3
Total energy consumption	164 329	100,00
Renewable electricity produced and sold on the grid	163	

(*) According to the GHG Protocol's market-based calculation methodology

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

	Group	Pandrol	Frauscher	Conductix-Wampfler	DCX Chrome	Lenoir-MEC
Scope 1 GHG emissions						
Scope 1 GHG emissions (tCO2e)	13 725	11 652	183	1 628	79	182
Scope 2 GHG emissions						
Location-based scope 2 GHG emissions (tCO2e)	26 462	23 257	602	2 399	175	29
Market-based scope 2 GHG emissions (tCO2e)	22 688	20 207	418	2 034	0	29
Scope 3 GHG emissions						
Scope 3 GHG emissions (tCO2e)	1 036 403	356 906	62 472	377 368	229 863	9 794
1 Purchased goods and services	544 687	260 790	9 441	42 914	225 443	6 099
2 Capital goods	4 732	16	1 287	3 220		209
3 Fuel- and energy-related activities not included in scope 1 or scope 2	2 907	2 328	92	339	111	37
4 Upstream transportation and distribution	39 562	36 690	249	735	1 821	67
5 Waste generated in operations	4 356	2 685	20	1 402	244	5
6 Business travel	2 805	630	1 038	1 119	14	4
7 Employee commuting	9 049	2 651	879	5 252	134	132
8 Upstream leased assets						
9 Downstream transportation and distribution	46 848	36 690	1 683	7 068	1337	70
10 Processing of sold products						
11 Use of sold products	369 637	14 426	47 311	304 827		3 073
12 End-of-life treatment of sold products	11 822		473	10 491	758	99
13 Downstream leased assets						
14 Franchises						
15 Investments						
Total location based GHG emissions (tCO2e)	1 076 590	391 815	63 257	381 394	230 117	10 006
Total market based GHG emissions (tCO2e)	1 072 816	388 765	63 073	381 030	229 942	10 006

Les informations relatives à l'estimation des émissions sont disponibles dans l'annexe 3.



4

**ESRS E3
WATER
AND MARINE
RESOURCES**

A. Metrics and targets

E3-4 - WATER CONSUMPTION

The group's water consumption decreased by 8% in 2023 compared to the adjusted data for 2022. This decrease is mainly due to lower levels of foundry activity at Pandrol.

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

Business	Water consumption (m3)	
	2023	2022
Pandrol	93 829	102 308 (*)
Frauscher	3 586	3 424
Conductix-Wampfler	12 287	13 299 (*)
DCX Chrome	12 429	13 445
Lenoir-MEC	108	220
Total Delachaux	122 238	132 696 (*)

(*) data adjusted in 2023





5

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

E5-2 - ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The circular economy theme appears in Pandrol's double materiality matrix, which was completed at the end of 2023. This concerns procurement of raw materials such as steel and recycled plastic as well as reuse of end-of-life products. The company is currently carrying out feasibility studies on certain ranges of products and initiating a dialogue with suppliers on the availability of low-carbon products.

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

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

In general, the lifespan of Pandrol products, including fasteners, is greater than that of the infrastructures into which they are integrated.

Frauscher's products are designed to last for 30 years, and to optimise resource use throughout the product lifecycle.

Equipment repair and upgrade services are available at every Conductix-Wampfler site but are still little used by customers. In 2023, the company also began product life cycle analysis, which will be extended to include all product ranges in 2024. This will enable teams to accelerate eco-design. Finally, the procurement teams are currently assessing the possibility of replacing more components with versions made from recycled materials.

Conductix-Wampfler products have a very long lifespan, with low maintenance requirements; in 2024, we will evaluate the feasibility of a 'product as a service' circular business model.

At DCX, the entire stock of corundum, which is a co-product of chromium manufacturing, is resold for construction applications.

B. Metrics and targets

E5-5 - RESOURCE OUTFLOWS

Type of waste	2023 (tonnes)	2022 (tonnes)	2021 (tonnes)
Metals and oxides	9 407	9 193 (*)	7215 (*)
Unsorted waste	5 754	5 851 (*)	5 912
Sand	4 642	6 559	6 932
Hazardous waste	789	698 (*)	1 895
Wood	544	480 (*)	107
Paper and cardboard	388	636 (*)	468
Plastics	207	231	145
Electrical and electronic equipment	8	15	4
TOTAL	21 739	23 663 (*)	22 678

(*) data adjusted in 2023 (including metal waste from the Pandrol welding manufacturing process, which is then resold)

The significant reduction in the tonnage of sand waste is mainly due to lower levels of foundry activity at Pandrol.





6

**ESRS S1
OWN WORKFORCE**

ESRS 2 SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

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

The framework of our people development model unites us around actions and expected behaviours based on four pillars: management culture, work environment, diversity and inclusion, and people development.

Each company is responsible for embodying this model through practices, tools and initiatives adapted to its specific identity, heritage and know-how, while upholding the Delachaux Group spirit and approach in terms of people development.






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

Group companies are aware that employees are their greatest asset and that team leaders play a key role in talent retention, knowledge transfer and skills development.

This is why the Group invests in the development of its managerial workforce to support positive leadership that stimulates collective dynamics and individual commitment. In 2023, the Group structured its approach through the *WElead* programme, which includes different levels and approaches to support managers across our different businesses.

Every 12 to 18 months, the Group deploys a global employee survey, *WEshare*, to measure and monitor the engagement rate across our various sites. In 2023, 89% of employees took part and 47% of them responded that they are very satisfied (rating of 9 or 10) working for the Group. Their feedback allows each company to make an inventory, establish an action plan and measure progress.



	Key programme objectives	Mode delivery	Format
BOOST YOUR LEADERSHIP	 EXCEED TOGETHER Shape the future of the company and steer the vision for enterprise-wide leadership.	On Oxford campus delivery Part time 4*4 days Organizational leadership or Strategy & Innovation	One year 3-6 participants every 3 y from all Businesses External network (~ 40/60 exec)
	 ACCELERATE TOGETHER Accelerate self-awareness (posture and impact) to strengthen teams and organisations with purpose and conviction.	Leadership journey Hybrid delivery 1 week in presence + Online	6-8 months 15 participants every year from all Businesses Internal network (inter businesses)
STRENGTHEN YOUR LEADERSHIP	 RISE TOGETHER Create a learning space between peers to gain insights and take actions on specific business and leadership challenges, and thus, rising together as leaders.	Online delivery 7 peer-driven learning sessions (2/3 hours per session)	6-8 months 6 participants per session Internal network (inter businesses)
	 MANAGE (TO SUCCEED) TOGETHER Provide tools to be more efficient in a wider variety of situations as a people manager	In presence delivery Online option available 2 days	2 days 10-12 participants per session Internal network (inter/intra businesses)

SI-1 - POLICIES RELATED TO OWN WORKFORCE

The group has established three policies:

- The Employment policy outlines the rules and principles relating to recruitment, employee career development and the termination of their employment contract.
- The Group Compensation and Benefits policy outlines the rules and principles relating to pay (fixed and variable), the positioning and progression of the compensation structure and employee benefits.
- The Group Communication policy outlines – among other things – expectations in terms of individual and collective communication to promote an environment conducive to open communication.

These policies do not name specific groups, but include a section on non-discrimination, promoting fair practices and diversity within our teams. The Code of Ethics also has a section dedicated to these issues.

The engagement survey contains three questions related to diversity, equality and non-discrimination to get a specific view of the situation at each site. Local initiatives have been put into place to promote and raise awareness on the subject.

Our commitments in terms of human rights and labour law comply with the directives of the United Nations, the International Labour Organisation and the Organisation for Economic Co-operation and Development and are included in the Group's Code of Ethics. Compliance is monitored through internal audit.

SI-2 - PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

In all countries and entities concerned, employees of Group companies are represented at different levels (legal entities/places of business) by delegates of representative trade unions, staff representatives, the joint works council, and the health, safety and working conditions committees or local equivalents.

Group companies comply with the schedule of mandatory monthly, quarterly and annual meetings. In addition to the formal relations and meetings provided for by law, the management departments of legal entities and places of business endeavour to communicate and work with social partners on the various projects affecting the company and employees, and to set aside time for discussions and listening. Site management and the local HR representative are responsible for coordinating social dialogue at the site. Topics for discussion and consideration include health and safety in the workplace, remote working, working hours, aspects of collective variable pay, etc.

The perspectives of more vulnerable groups in terms of gender and disability are considered in French entities and in other entities worldwide in accordance with their national regulations. In France, the gender equality index is calculated and monitored annually, as is the disability equality index.

B. Impact, risk and opportunity management

SI-3 - PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

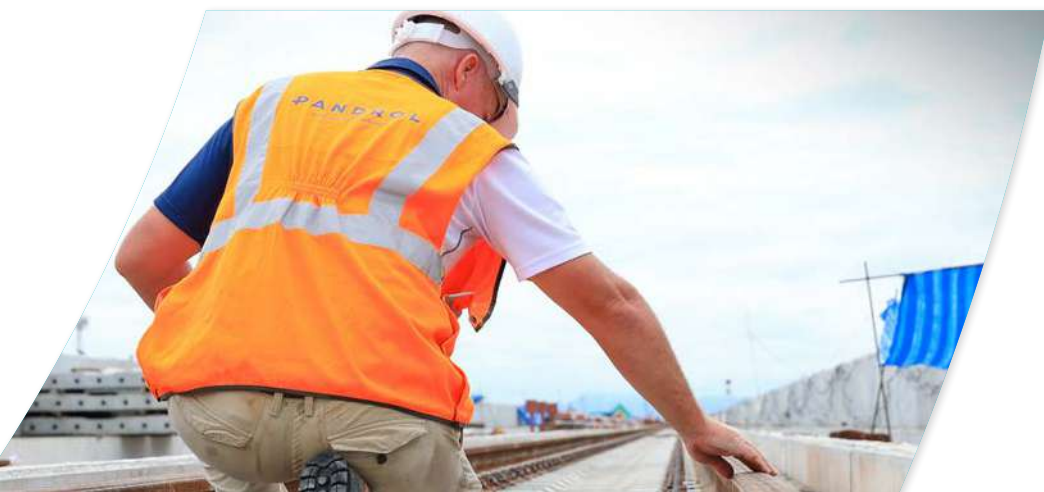
Personnel issues may be dealt with through different channels within the Group:

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

SI-4 - TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

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

- Skills and people development: On this point, our companies are working on and improving the various tools, practices and initiatives that contribute to the development of people. Particular attention is paid to the quality of managerial meetings (annual appraisal interviews, regular feedback), training and career development plans (people reviews), learning opportunities within the job itself (cross-functional projects, autonomy, measured risk-taking), and face-to-face or distance training using our digital training platforms.
- The workplace environment: Each company deploys local and global actions to raise awareness of mental health, life balance, respect and caring for each other. Information sessions and reflection/discussion workshops are organised at a local level. Content is also available on our digital training tool for this purpose.
- Social dialogue: An open and constructive dialogue is encouraged at each of our sites. This is done through site/team/managerial meetings, employee representative meetings, calls for volunteers and our global engagement survey.



C. Metrics and targets

S1-5 - TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The employee engagement rate is the main indicator used, as well as the percentage of participants who are very satisfied (rating 9 or 10) working for the Delachaux group.

S1-6 - CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

NUMBER OF EMPLOYEES BY GENDER

Gender	Number of employees 2023 (headcount)
Male	3 233
Female	882
Other	0
Not reported	0
Group Total	4 115

NUMBER OF WOMEN EMPLOYED IN OUR COMPANIES

Business	Number of women at 31/12/2023	% en 2023	Number of women at 31/12/2022	% en 2022
Group Total	882	21%	894	22%
Pandrol	233	14%	287	18%
Frauscher	217	30%	203	32%
Conductix-Wampfler	399	24%	374	24%
DCX Chrome	9	13%	9	14%
Lenoir-MEC	8	17%	6	14%
Delachaux HQ	16	42%	15	45%



C. Metrics and targets

ACTIVE WORKFORCE BY COUNTRY

	31/12/2023	% en 2023	31/12/2022
France	774	19%	746
Germany	526	13%	523
USA	507	12%	503
India	407	10%	351
Austria	389	10%	411
UK	299	7%	310
China	259	6%	240
Australia	253	6%	251
Spain	128	3%	106
Brazil	112	3%	113
Italy	92	2%	86

Number of employees in countries with 50 employees or more as well as the proportion of the total number of employees (CSRD requirement).

EMPLOYEE INFORMATION BY CONTRACT TYPE AND GENDER

Female	Male	Total
Number of employees		
882	3 233	4 115
Number of permanent employees		
859	3 194	4 053
Number of temporary employees		
15	32	47
Number of non-guaranteed hours employees		
8	7	15

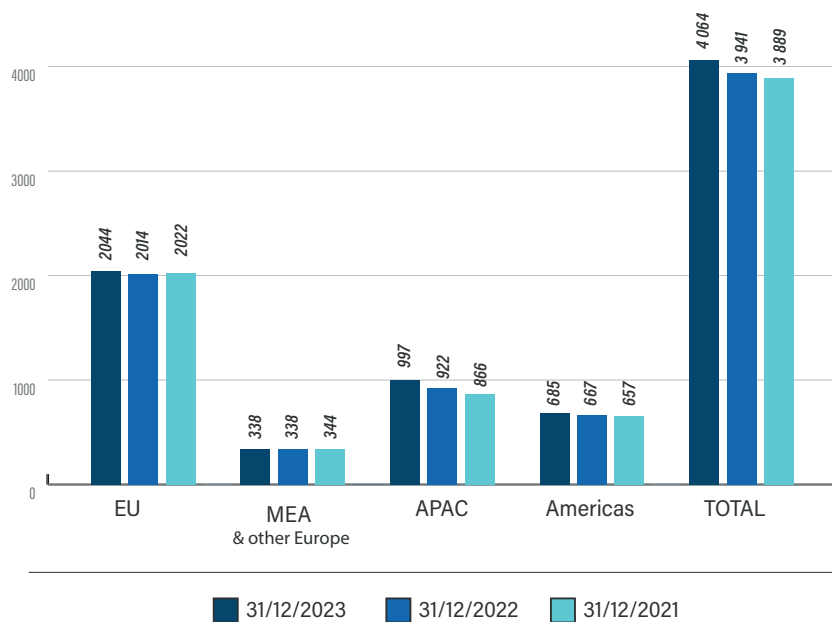
"Number of temporary employees" refers to employees on fixed-term contracts on our payroll and not temporary employees via an agency, for example, and the figures only consider December 2023.

EMPLOYEE INFORMATION BY CONTRACT TYPE AND REGION

EU	MEA & other Europe	APAC	Americas	Total
Number of employees				
2 086	339	999	691	4 115
Number of permanent employees				
2 045	333	984	691	4 053
Number of temporary employees				
27	6	14	0	47
Number of non-guaranteed hours employees				
14	0	1	0	15

C. Metrics and targets

BREAKDOWN OF ACTIVE WORKFORCE BY REGION



STAFF TURNOVER

Business	Number of employees at 31/12/2023	% en 2023
Group Total	228	6%
Pandrol	98	6%
Frauscher	48	7%
Conductix-Wampfler	78	5%
DCX Chrome	2	3%
Lenoir-MEC	0	0%
Delachaux HQ	2	5%

Number and percentage of staff turnover for all reasons (dismissal, retirement, death in service and end of probationary period).

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

S1-8 - COUVERTURE DES NÉGOCIATIONS COLLECTIVES ET DIALOGUE

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

Various collective bargaining agreements were signed by our companies in France in 2023:

- At DCX Chrome, an agreement on annual and mandatory salary and gender parity negotiations has been signed.
- At Lenoir, a renewal of the profit-sharing agreement and a decision to award a Value Sharing Bonus have been signed.
- At Pandrol, a method agreement on the new classifications, an agreement on mandatory annual negotiations, an amendment to the agreement on mandatory annual negotiations, and a profit-sharing agreement have been signed.
- At Conductix-Wampfler Belley, a profit-sharing agreement, an agreement on a mobility plan, a decision on the award of an exceptional bonus, an agreement on mandatory annual negotiations and a pre-election protocol agreement have been signed.

- At Conductix-Wampfler St Ismier, an agreement on the organisation and number of working hours, a profit-sharing agreement, an agreement on the introduction of electronic voting, and a pre-election protocol agreement were signed.

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

In the United Kingdom, the Group's main structure has a Procedural and Substantive Agreement drawn up in 1999 with Unite the Union (known at the time as the Transport and General Workers' Union).

Several of our sites are in countries that cover all or part of our employees through company or business collective agreements. This is the case for Australia, Spain, Brazil, China, Italy, Austria, Canada, the USA and India.

S1-9 - DIVERSITY METRICS

Head count at top management level:

Business	Top management at 31/12/2023	% en 2023	Top management at 31/12/2022	% en 2022
Group Total	261	6%	236	6%
Pandrol	110	7%	109	7%
Frauscher	19	3%	21	3%
Conductix- Wampfler	106	6%	73	5%
DCX Chrome	9	13%	9	14%
Lenoir-MEC	6	13%	6	14%
Delachaux HQ	11	29%	18	55%

Top management is defined by each company and this indicator is monitored at Group level.

At Pandrol, top management comprises the EMT network, at Conductix-Wampfler, the IMT network, and at Frauscher, the GSC + GMM networks. At DCX Chrome and Lenoir-MEC, it is their management teams, and at Delachaux it is the employees who report directly to the CFO, HRD and CEO.

Head count of women at top management level:

Business	Total female managers at 31/12/2023	% en 2023	Total female managers at 31/12/2022	% en 2022
Group Total	45	17%	40	17%
Pandrol	18	16%	17	16%
Frauscher	4	21%	4	19%
Conductix- Wampfler	13	12%	6	8%
DCX Chrome	3	33%	3	33%
Lenoir-MEC	2	33%	2	33%
Delachaux HQ	5	45%	8	44%

The strong growth within Conductix-Wampfler stems from the “top management” scope being extended in May 2023 to include more managers actively contributing to the development of the 2028 strategy.

C. Metrics and targets

Head count per age group:

Age	31/12/2023	% en 2023
< 30 years	711	17%
30 - 49 years	2 165	53%
> 50 years	1 239	30%
Total	4 115	100%

Concerning the data collected: No comparable historical data, as the definition of categories has been aligned with CSRD requirements

S1-11 - SOCIAL PROTECTION

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

S1-12- PERSONS WITH DISABILITIES

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

NUMBER AND PROPORTION OF DISABLED WORKERS IN FRANCE

Business	Total disabled workers in France at 31/12/2023	% en 2023	Total disabled workers in France at 31/12/2022	% en 2022
Group Total	34	4%	38	5%
Pandrol	14	5%	17	5%
Conductix-Wampfler	13	5%	15	6%
DCX Chrome	4	6%	3	5%
Lenoir-MEC	2	7%	2	7%
Delachaux HQ	1	3%	1	3%

S1-13 - TRAINING AND SKILLS DEVELOPMENT METRICS

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

Digital training platforms are one of the tools used, providing access to a very wide choice of off-the-shelf training modules supplied by external organisations and in-house training modules created by our teams, with specific pathways created by the companies. In 2023, 3,637 people benefited from access to the platform, they represent 88% of our employees

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

In 2023, for the first time, a career committee was held among the companies' HR managers to highlight critical profiles and positions in the Group's organisations. This led to the transfer of two employees in APAC from the Conductix-Wampfler entity to the Pandrol entity.

Lastly, the Group and its companies continued to develop the management workforce. In addition to local training carried out at certain of our sites, 77 leaders were trained in the Global "*WElead*" programme in 2023.

In addition, in-person training is provided locally by each site. There are different types of training courses depending on the needs. Substantial resources are dedicated to industrial safety training at our plants.



C. Metrics and targets

S1-14 - HEALTH AND SAFETY METRICS

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

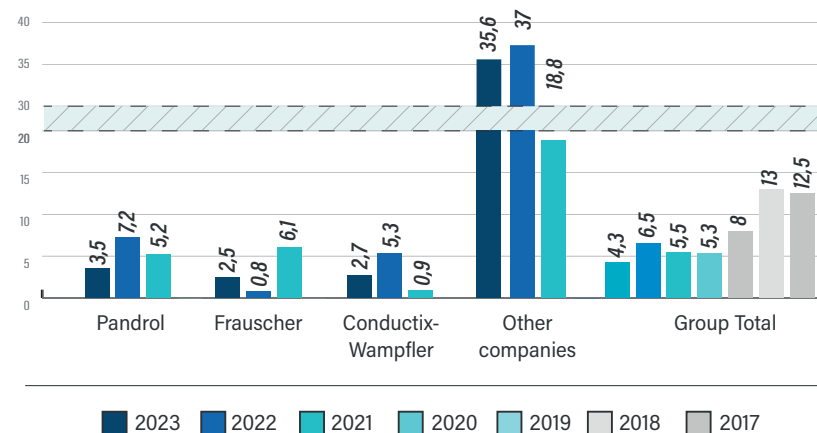
Occupational risk prevention is based on ethical and legal imperatives as well as good economic sense; the performance of safety, of quality and of productivity are interrelated. Safety is also of strategic importance in making the various businesses attractive.

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

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

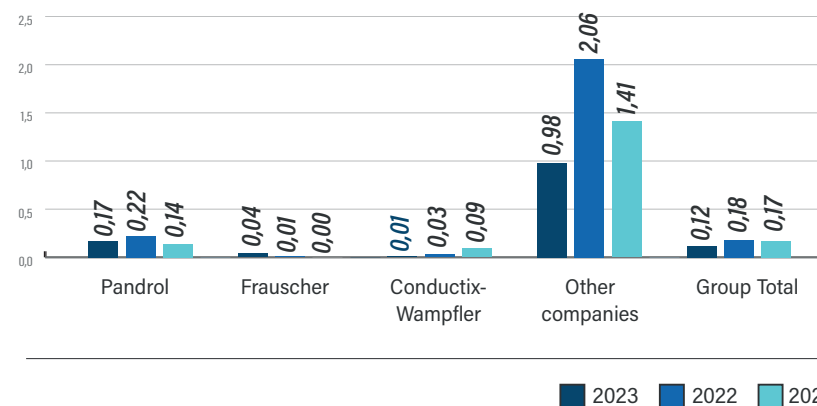
The Group has set itself the target of reducing the lost time accident frequency rate (AFR) by 14% a year based on 2023 levels, which would mean achieving a rate of 2 by 2028.

LOST TIME ACCIDENT FREQUENCY RATE



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

ACCIDENT SEVERITY RATE



C. Metrics and targets

	Number of lost-time accidents 2023	Total number of days lost 2023	Gravity rate 2023
Group Total	31	889	0,12
Pandrol	11	531	0,17
Conductix-Wampfler	7	31	0,01
Frauscher	3	53	0,04
DCX Chrome	7	267	2,01
Lenoir-MEC	2	2	0,02
Corporate	1	5	0,09

Accident severity rate in 2023 (ratio of number of working days lost because of an accident/thousand hours worked, all employees, including temporary staff) – ASR

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

For several years, annual data on changes in the salary market by country (covering all countries in which the Group operates) has been collected from at least two specialist sources. This is used to define the annual salary increase budget for each entity, also considering the specific characteristics of the entity in the country. This market data is also used as a benchmark during annual negotiations with staff representatives concerning the budget for salary increases.

AGGREGATE GROSS PAY (in millions of euros)

	2023	2022	2021	2020	2019	2018	2017
Gross Remuneration	205,40	203,46	184,90	165,60	159,40	136,90	133,20



7

ESRS G1 BUSINESS CONDUCT

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

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

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

- The Audit, Risk and Ethics Committee, consisting of several members of the Board of Directors, invites the CEO, the CFO and the Internal Audit and Control Director to present the work carried out in these 3 areas.
- The Ethics and Compliance Committee consists of 6 representatives from Delachaux (CEO, CFO, HR Director, Legal Director, Audit and Internal Control Director and the CSR Manager) and is responsible for defining and implementing the anti-corruption programme and handling all ethical issues, including whistleblower reports.

A document entitled "Group Ethics and Compliance Committee Operating Model" has been drawn up to define the tasks, responsibilities and members of the committee. A specific anti-corruption procedure has been developed to outline the anti-corruption programme within the Group and in 2023 it will be expanded to include a procedure for managing ethical alerts.



G1-1- CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

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

To promote ownership among employees, a digital training module, available in seven languages on the Group's e-learning platform, was deployed at the end of 2019. Delachaux is committed to ensuring that all employees take this training module within their first 30 days of joining the Group. Between its launch and 31 December 2023, a total of 4,076 employees were trained. For employees without an e-mail address, face-to-face training courses are organised. 1,131 people had attended these sessions by the end of 2023.

The group has also created an anti-corruption policy describing the methods for preventing and detecting corruption. In 2021, an anti-corruption procedure focusing on agents was published following the results of anti-corruption risk mapping carried out by each company. In 2023, a specific procedure was developed to clarify how the ethics line operates.

G1-2 - MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Supplier relationship management is carried out at individual company level.

In 2023, Pandrol rolled out a CSR supplier charter integrating environmental, social and ethical issues to all its suppliers worldwide.

Conductix-Wampfler prepared a CSR supplier charter in 2023 that will be distributed in 2024. The company have also modified their supplier audit grids to incorporate ESG elements. Already in use in France, it will be distributed to all countries in 2024.

G1-3 - PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

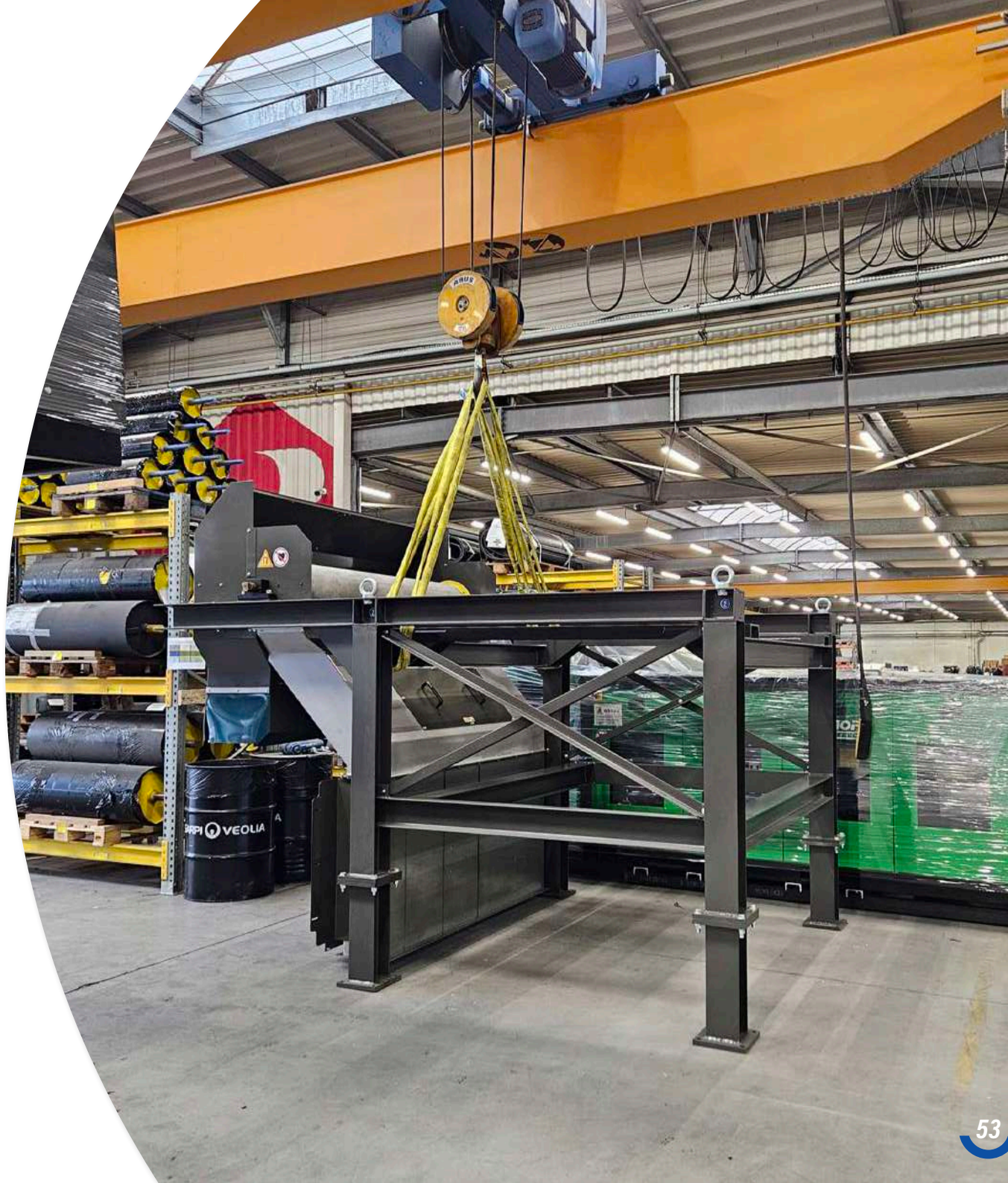
To prevent cases of corruption, training is organised for the highest risk groups. From 1 January 2023 to 29 February 2024, 952 people were trained via our e-learning platform.

In addition, as stipulated in our agent procedure, we ask our agents to undergo regular anti-corruption training.

Finally, to promote good management of the whistleblowing system, a tailor-made training course has been developed to help HR and site managers effectively receive and manage a whistleblower report as the potential first contacts in this type of situation. The pilot training course was tested in 2023 with the Group Ethics and Compliance Committee and the Ethics officers of our global businesses.

G1-4 - CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

In 2023, 7 cases were reported via the ethics line, mainly through the anti-corruption whistleblowing platform and none were related to acts of corruption.





8

COMMUNITIES

The Delachaux Group wants to contribute to the development of the communities where we work. This social commitment is one of the five pillars of the CSR programme.

Based on a review of existing volunteering activities in our companies, the Group has decided to organise all future activities around 3 themes: solidarity, education and the environment. These volunteering and sponsorship activities are proposed and supported by employees, and each company has customised its own social commitment programme.

The Delachaux Group also created a fund in May 2022, named "Delachaux Solidarité", with an initial budget of €132,044 to support and promote local initiatives. In 2023, Frauscher in Austria received a donation for the Bezirks- Feuerwehr Kommando Schärding (Schärding District Fire Department).



B. Actions carried out in 2023

1. COMMUNITY

PANDROL

- The Memphis team in the United States organised an event with the Memphis Mid-South Food Bank to pack 100 boxes of food for families encountering financial difficulties.
- The team in Brazil volunteers for the Casa de Passagem association, which takes in children who have been abandoned and removed from their families. In 2023, they helped build a new roof, made in-kind donations (laptop, microwave, tennis table, printer, clothes, etc.) and organised events (Easter, world chips day).

FRAUSCHER

- The team from Vienna in Austria prepared and served hot meals for homeless people at the "Wärmestube" event organised by the local Caritas association.
- The São Carlos team in Brazil donated equipment to the association NGO Espaço Azul, which supports children with autism.



- The St-Ismier team in France took part in a project to renovate a house which provides accommodation for people in difficulty.
- The teams from Wuhan and Shanghai in China donated to the victims of the earthquake in Turkey in February 2023.

B. Actions carried out in 2023



2. EDUCATION

PANDROL

- The Workop team in the UK visited Langold Dyscarr Community School to support the school's career programme by talking about the railway industry and the various career opportunities in the sector.



LENOR-MEC
MAGNETIC SYSTEMS

- The Cosnes-et-Romain team in France exchanged advice and expertise with young people at the *École de la 2nde Chance* (Second Chance School) in Longlaville.



FRAUSCHER

- The Mysore team in India helped develop the infrastructure of a public school.

CONDUCTIX
wampller

- The Belley team in France took part in the SMILE event designed to promote employers to teenagers by offering a tour of the company and a presentation of each department.



3. ENVIRONMENT

CONDUCTIX
wampller

- The team in Omaha, USA volunteered to pick up litter in a park with Keep Omaha Beautiful.





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APPENDICES

APPENDIX 1: Missing DPEF and CSRD Information

Below is a list of requests for information to which the Delachaux Group has been unable to respond, either because it is not relevant or because the information is not yet available, or because the Group's activities are not or only slightly affected.

DPEF :

Combating food waste
Combating food insecurity
Respect for animal welfare
Responsible, fair and sustainable food
Physical and sporting activities
Actions to promote the nation-army link and support commitment to the reserves

CSRD:

ESRS 2 General disclosures

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4 – Statement on due diligence
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS E1 Climate change

ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities
E1-2 – Policies related to climate change mitigation and adaptation
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
E1-8 – Internal carbon pricing
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

ESRS E2 Pollution

ESRS E3 Water and marine resources

E3-1 – Policies related to water and marine resources
E3-2 – Actions and resources related to water and marine resources
E3-3 – Targets related to water and marine resources
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

ESRS E4 Biodiversity and ecosystems

ESRS E5 Resource use and circular economy

E5-1 – Policies related to resource use and circular economy
E5-3 – Targets related to resource use and circular economy
E5-4 – Resource inflows
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

ESRS S1 Own workforce

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce
S1-10 – Adequate wages
S1-15 – Work-life balance metrics
S1-17 – Incidents, complaints and severe human rights impacts

ESRS S2 Workers in the value chain

ESRS S3 Affected communities

ESRS S4 Consumers and end-users

ESRS G1 Business conduct

G1-5 – Political influence and lobbying activities
G1-6 – Payment practices

APPENDIX 2: Methodology notes on workforce data

Workforce data is collected mainly by head count using a digital data reporting tool (Tennaxia). Data is reported from 1st to 30 June and from 1st to 31 December. The only exception concerns the “staff turnover” key performance indicator, which is presented as an average over the period from 1st January to 30 June and from 1st July to 31 December.

Only one data source is used as a starting point, usually the local payroll system.

A single process owner is appointed/identified - responsible for controlling and delivering accurate and consistent data. This is the local HR person or equivalent.

We are moving towards maximum automation of data integration: at least one standardised file format, or an automatic file extracted from the local payroll system and converted to Tennaxia format for download.

An integrity check is carried out by a person other than the person who has prepared the files.

APPENDIX 3: Methodology note on the Pandrol double materiality analysis

The materiality analysis was conducted following the guidance provided in ESRS 1 and 2, as well as the draft EFRAG Materiality Analysis Implementation Guide and the French Accounting Standards Authority Guide.

The company's business model has been summarised and its main stakeholders identified. Its value chain has been analysed to define an approach to identifying and assessing impacts, risks and opportunities.

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

The results of this analysis were presented in the form of a matrix to 20 stakeholders from 5 groups (shareholders, customers, employees, suppliers and investors) to solicit their general opinion and comments. Several elements of the analysis were then reviewed, and some adjusted before being approved by management.

APPENDIX 4: Methodology note on the GHG report

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

	Scope of business activities	Methodologies, main assumptions and emission factors used.	List of subcategories excluded from the emissions estimate.
Delachaux		<p>Exchanges between the different Group companies are marginal and have not been deducted.</p> <p>The data relating to scopes 1 and 2 were collected with reporting software, and most of the data from scope 3 with the help of carbon consultants. Unless otherwise stated, the emission factors used are those from the ADEME Empreinte® database, including national emission factors for electricity, except for the United States (eGRID) and Australia (Emissions and Energy Reporting System)</p>	Unless otherwise stated, visitor travel has not been taken into account.
Pandrol		<p>For purchased goods and services, emissions have been calculated for 76% of expenditure based on physical data and for 5% based on monetary ratios, with the remaining 19% extrapolated as a proportion of total procurement expenditure.</p> <p>For steel and plastics purchases, the emission factors used were those provided by suppliers where available and supported by documentation (approximately 27% of raw steel tonnage and 10% of plastic resin tonnage purchased). In the other cases, the emission factors from the Ecolnvent 3.9.1 database were used.</p> <p>Emissions linked to upstream logistics were calculated for 52% of the value of purchases, taking into account the average distance from the issuing country for road transport, and the average distance between major shipping hubs for maritime transport, and extrapolated for the remaining 48%.</p> <p>Emissions linked to downstream logistics were estimated on the basis of upstream emissions and the results of the previous assessment and will be calculated in greater detail.</p> <p>For the use of sold products phase, the use profile, lifespan and fuel consumption of each category of inspection and quality control equipment have been estimated; that of electrification products, which is probably very substantial, is currently being assessed.</p>	Capital goods, business travel and end-of-life treatment of sold products have not been calculated. In the previous calculation of GHG emissions, these categories represented a total of less than 2% of Pandrol's emissions. Emissions related to the use of sold products from the electrification range have not been calculated.

Frauscher		<p>For equipment purchases, 75% of emissions were estimated based on monetary ratios, and 25% based on physical data (weight). Approximately 20% of the purchases at the production site in Sankt-Marienkirchen could not be considered.</p> <p>For the product use phase, direct emissions were estimated by assessing the electricity consumption, use profile/intensity and lifespan of each product category, depending on the country of destination.</p> <p>Scope 3 emissions from Frauscher's tertiary sites were extrapolated from partial responses for capital goods, purchased goods and services and business travel.</p>	Emissions related to the use of products from the electrification range have not been calculated.
Conductix-Wampfler	Conductix-Wampfler's scope 3 emissions were determined for the 4 main sites representing 72% of the company's sales.	<p>For purchased goods and services, emissions were calculated for 95% of expenditure based on physical data and for the remainder based on monetary ratios.</p> <p>For metals (steel, aluminium, copper), plastics and electrical and electronic equipment, emission factors from the Empreinte or Ecolnvent 3.9.1 databases were used.</p> <p>For the product use phase, consumption was estimated by assessing the electricity consumption, use profile/intensity and lifespan of each product category.</p>	
DCX Chrome		For the purchase of aluminium, the emission factor from the Empreinte database was used, and for other specific raw materials, the Ecolnvent 3.9.1 database, supplemented by life cycle analysis results for chromium oxide.	<p>Capital goods were not calculated. In the previous calculation of GHG emissions, this category was negligible (less than 0.1% of the total).</p> <p>The use of chromium marketed by DCX is generally unknown, and probably does not directly generate GHG emissions in its use phase, which DCX has no way of influencing. Therefore, no use-related emissions data has been reported; however, some common applications of chromium, such as the aerospace industry, would generate considerable emissions if the weight of chromium carried on aircraft during their lifetime were considered.</p>

Lenoir-MEC	The scope 3 emissions of MEC (33% of Lenoir-MEC's total sales and 0.5% of Group sales) were not calculated.	Most emissions from equipment purchases were estimated based on 5 emission factors/monetary ratios from the Empreinte database. For the product use phase, emissions were estimated by assessing the direct electricity consumption, use profile/intensity and lifespan of each product category, by country of destination.	
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ANNEXE 5 : Auditor's opinion



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

Year ended December 31, 2023

To the Shareholders,

In our capacity as Statutory Auditor of your company Delachaux SA. (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884⁽¹⁾, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31st, 2024 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

⁽¹⁾ Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Conclusion

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

Preparation of the non-financial performance statement

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

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

Inherent limitations in preparing the Information

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

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

Responsibility of the entity

Management of the entity is responsible for:

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

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

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

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

It is not our responsibility to report on:

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

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, "*Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*", acting as the verification program, and with the international standard ISAE 3000 (revised)².

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition,

(2)ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 4 people between November 2023 and April 2024 and took a total of 8 days.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 3 interviews with the people responsible for preparing the Statement, representing in particular executive management, administration and finance, risk management, compliance, human resources, health and safety, environmental and purchasing departments.

Nature and scope of procedures

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

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

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,

- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,

- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,

- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,

- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,

- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. For all risks, our work was carried out on the consolidating entity and on a selection of entities³
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities³ and covers between 31% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

(3) Social data : Pandrol France (Colombes, Douai), Intercast and Forge, Conductix Wämpfpler Germany (Potsdam, Weil, Hanau), Conductix Wämpfpler France Belley, Frauscher Sensortechnik GmbH ; except for the indicators Number of lost-time accidents, Number of days lost from work, Severity rate, Frequency rate, Number of disabled workers in France (Pandrol scope, Frauscher Sensortechnik GmbH, Conductix Wämpfpler); except for Percentage of women in management, Number of women in top management (Group scope).

Environmental data: Pandrol France Douai, Intercast and Forge, Conductix Wämpfpler Weil, Frauscher Sensortechnik Sankt Marienkirchen; except for Scope 1 and 2 GHG emissions (Pandrol scope)

Societal data: Group scope

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

Paris la Défense, 8 avril 2024

KPMG S.A.

Philippe Cherqui
Partner

Isabelle Lhoste of ESG Expert
Partner, ESG Expert

APPENDIX

Qualitative information (actions and results) considered most important

- Company agreements
- ISO certifications (9001, 14001, 45001, 50001), EcoVadis Medal

Key performance indicators and other quantitative results considered most important

Social indicators :

- Number of employees,
- Number of employees by gender,
- Share of women in workforce,
- Information on employees by type of contract and gender,
- Number of employees by age category,
- Number and percentage of women in senior management,
- Number and proportion of disabled workers in France,
- Lost-time accident frequency rate,
- Accident severity rate,
- Number of days off work 2023,
- Number of lost-time accidents 2023

Environmental indicators :

- Water consumption,
- Total energy consumption,
- Consumption of electricity or heat from renewable sources,
- Consumption of electricity or heat of undetermined or mixed origin,
- Natural gas consumption,
- Tons of waste (process verification),
- Scope 1 GHG emissions, Scope 2 GHG emissions (location based)

Societal indicators :

- Number of active patents,
- Number of employees trained in anti-corruption,
- Employee engagement rate, Number of employees participating in engagement survey