



# Declaration of Extra-Financial Performance

2023

**FORGING AHEAD**

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\*data not published on the website

## PREAMBLE

### Resilience and growth in the face of global crises

The global automotive industry has gone through unprecedented challenges due to the Covid-19 pandemic, semiconductor shortages and geopolitical tensions. These crises have led to plant closures, supply chain disruptions and a significant drop in sales. Despite this, the industry has been able to reinvent itself by massively turning to electric vehicles to address environmental concerns and new regulations.

According to ACEA (Association of European Automobile Manufacturers), the global automotive market rebounded with growth of 9.7% in 2023, reaching 72.4 million registered vehicles, compared to 66 million in 2022.

Asia remains the leading regional market with 49.8% of global sales, mainly thanks to China, which alone accounts for 31% of the global market with 22.3 million registered vehicles. More than half of the 75.6 million vehicles produced in 2023 come from Asia. China maintains its position as world leader with more than 25 million units, or 33.5% of global production.

Registrations within the European Union reached 10.5 million vehicles, or 14.6% of the global market, with growth of 13.9%. Twelve million vehicles produced in Europe (+11.3%), consolidating its second place in the world.

Registrations in North America reached 14.7 million vehicles, representing 20.3% of the global market, with growth of 15%. As for production, 11.6 million vehicles were produced (+12.4%).

Despite the challenges imposed by the Covid-19 pandemic, semiconductor shortages and geopolitical tensions, the global automotive industry demonstrated remarkable resilience in 2023. Sales and production growth, underpinned by innovation and the transition to electric vehicles, underscores the industry's ability to adapt and thrive in an ever-changing environment.

Thus, this accumulation of crises has had the effect of accentuating changes on the economic environment of our activities, but also by modifying the societal roles and behaviours of individuals where social and environmental issues have taken on an even more fundamental dimension. This directly translates into profound and lasting changes in the mode of consumption, the use of means of transport and the organisation of work.

In this constrained context, SIFCOR has expanded its resilience action plan put in place from 2020, initially in response to the health crisis, and added a set of elements focusing on the following priorities:

- Health and safety of all collaborators
- Flexibility of organisations to limit the devastating effects of the breadth of customer programs on the operating result;
- Savings of energy consumption
- Maintaining the purchasing power of employees as much as possible
- Innovation, diversification of our products, organisations and markets.

## A - WORD FROM THE PRESIDENT



Our family group was founded in the 1880s, with the establishment and modernisation of industrial facilities for the production of cutlery preforms in Nogent in Haute-Marne, to move strategically in the 1950s towards the growing automotive sector which would allow its significant industrial and commercial development.

The SIFCOR Group is made up of subsidiaries of Forges de Courcelles and AMIS, representing two major stages of integration and technological evolution.

Starting from the origin of hot stamping for the forging of medium series parts, and then integrating cold forging and warm forging by extrusion from the 1970s intended for the production of large series parts, the SIFCOR Group has caused the forging trade to meet the requirements of the sector to which it has dedicated itself.

The Automotive sector is adapting quickly and in the short term to the major trends that will shape the mobility of tomorrow to meet regulatory requirements, societal expectations, environmental and climate emergencies.

With its technical solutions and its various areas of expertise, our Group wants to be at the heart of these changes by offering the best advantages in terms of reliability, security, robustness, lightness, size, modularity, durability and recyclability, characteristics specific to the forge trade.

The involvement of our employees, our technical system, our research and development make the Group, by its nimbleness, the preferred partner of automobile manufacturers and equipment makers in its multiple fields of expertise.

For many years, the Group has integrated concerns related to sustainable development into its various activities, while also integrating those related to social issues and the environment into the operational activities and management mode that it has put in place.

On 30 November 2023, our subsidiary FORGES DE COURCELLES completed the strategic acquisition of STEVENIN NOLLEVAUX, in accordance with the market diversification policy. This integration strengthens the company's positioning while supporting the transition to sustainable practices. E-mobility is disrupting the sector, and this acquisition allows FORGES DE COURCELLES to consolidate and accelerate the strategy of diversification of markets and products. Rooted in family values and a heritage of quality, the companies will continue their development by focusing on continuous improvement, "Best in Class" performance at the service of customers, team training and sustained investments. The mission remains to meet customer needs by prioritising technology, quality and customer service. The teams, made up of qualified and committed professionals, are ready to meet future challenges thanks to their expertise in forging, machining and assembly. The synergy of internal strengths is essential for achieving sustainability and performance goals.

In 2023, SIFCOR, naturally committed to Corporate Social Responsibility (CSR), embarked on implementation of the CSRD (Corporate Sustainability Reporting Directive). In this context, we have identified our Impacts, Risks and Opportunities (IRO) and set up teams dedicated to each

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key theme, actively involving our subsidiaries through a bottom-up approach: Environment (E), Social (S) and Governance (G).

At this point, a gap analysis is being developed to better understand areas for improvement and align our practices to the new requirements.

At the same time, we have undertaken rigorous work to build a strong and pragmatic CSR (Corporate Social Responsibility) policy. In 2024, we will also focus on enhancing our CSR program through impactful communication, aimed at strengthening our engagement and transparency with all our stakeholders.

With determination and commitment, we are continuing our efforts to integrate sustainability at the heart of our strategy.

**François DEGUY**

## OUR BUSINESS MODEL



### B - OUR PRESENCE IN THE WORLD

As a supplier and strategic partner, we support automotive manufacturers and suppliers with an industrial and commercial presence in Europe, China and India. Our essential components for motors, differential housings, gearboxes and suspension parts meet the highest safety standards, and can be machined, processed and assembled.

The ambition is to pursue profitable and sustainable development through selective internal growth and strategic partnerships in target markets, while prioritising proximity to minimise our carbon footprint. This approach reinforces our commitment to Corporate Social Responsibility (CSR).

With the acquisition of STEVENIN NOLLEVAUX, our range of services and products is expanding into new sectors of activity: forestry equipment, worksite and construction equipment, handling, heavy goods vehicles, agricultural equipment, hand tools and general mechanics. The value chain now extends from design to machining and assembly, while retaining our core expertise in forging.

This strategic integration illustrates our determination to align our activities with the principles of sustainability, creating value for all stakeholders while respecting our ecological and social commitment.



### C - CUTTING-EDGE TECHNOLOGIES

Industrial excellence is at the heart of our approach. Each production site and each function within the group is committed to meeting the highest requirements in terms of quality, cost, lead time and performance. Our employees, through their involvement and ongoing training programs, play a crucial role in optimising our processes.

Innovation is a fundamental pillar of our strategy. By investing in advanced technology solutions and accelerating our digital transformation, we strengthen our competitiveness and meet the growing demands of our customers. Our efforts include:

- Collaboration with customers to develop innovative technical solutions.
- The proposal of anticipatory solutions to meet the constraints of forged and machined parts.
- Advanced modelling of our manufacturing processes and data analysis to optimise the value chain.
- Investing in initiatives to reduce our carbon footprint and improve our environmental impact.
- The upskilling of our teams through continuous training, guaranteeing a high level of know-how.

## D - OUR CUSTOMERS



The satisfaction of our customers is the main guarantee of our sustainability. Our commitment is to offer them the best technical solutions, total quality, service and competitiveness. We support them in their development and offer them innovative solutions to address their problems.

By combining the understanding of their current and future needs with the mastery of materials and our know-how, we offer them the most effective solutions. By striving for excellence in all areas of the company, we guarantee the satisfaction of our customers.

## E - BUSINESS EXPERTISE



Since its creation, the Group has developed a range of activities that now ensure its growth and sustainability.

Its know-how includes:

### **HOT FORGING – BY STAMPING**

Stamping consists of forming, after heating, raw parts by pressure between two blocks (the dies) having a preform or the exact shape of the product to be made. The hot forging temperatures are around 1250°C for a carbon iron steel.

### **COLD & WARM FORGING - BY EXTRUSION**

The warm forging process makes it possible to reconcile the advantages of hot forging, forgeability, and those of cold forging, absence of oxidation and dimensional precision.

For carbon iron steels, the deformation temperature is between 600°C and 800°C so as to work at a temperature conducive to deformation without exceeding the recrystallisation temperature.

The greater ductility of the material at this temperature makes it possible to perform a smaller number of operations and to eliminate any intermediate annealing. This process is perfectly suited to axisymmetric parts.

**HEAT TREATMENT/SURFACE TREATMENT**, are activities integrated within our production units to obtain the characteristics of our forged products.

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**MACHINING/ASSEMBLY:** the machining and assembly of components to our forged products are carried out in-house or subcontracted under project management, making it possible to supply products that can be used directly on our customers' assembly lines.

**TOOLS:** The forging activity within the Group is accompanied by the design and integrated manufacture of our own tools, the heart of our know-how, source of autonomy, control of forging processes and optimisation of their consumption.

In an increasingly competitive environment, agility, flexibility and profitability are key. In 2023, SIFCOR continued to modernise and transform its industrial equipment to strengthen its economic, operational and environmental performance, in line with the requirements of its businesses.

## F - SATISFY OUR STAKEHOLDERS

Communication with stakeholders is a fundamental practice of Social Responsibility. Stakeholders are individuals, institutions, organisations, whether they are our customers, suppliers, financial partners, insurers, localities that impact or could be impacted by the activities of our companies.

For example, the involvement of our companies near decentralised technological universities brings, through technical exchanges or technological supports, consistency in the learning of engineers in training and creates local dynamics and a cultural mix within an industrial context located in rural areas.

Thus, analysis of stakeholder expectations allows the Group to integrate economic, social and environmental issues at the heart of its strategy.

It is also a matter of raising awareness of the impact of the activities of our companies on society as a whole and, thus, better preventing risks while identifying opportunities for innovation and transition. This results in the communication of CSR information to our customers, financial partners and suppliers, through their own questionnaires. Risk awareness, our expectations in terms of ethics and other information are also communicated by means of publication of this report on our website, as are certain principles and issues for our customers and suppliers. This approach also aims to question the existing means of dialogue or to strengthen them with certain actors, or even create new ways of relating, if necessary.



## **G - OUR VALUES**

The commitment of our companies to social responsibility has also led us to identify the values of our organisation through:

- 1- Actions carried out for the satisfaction of our customers, the main guarantee of our sustainability, by working on the best product-services synthesis in terms of technical solutions, total quality, service and competitiveness, while supporting them in their development by offering them innovative solutions to meet their criteria.
- 2- Our employees, our main asset, thanks to their involvement, which is at the heart of our performance. Their skills, commitment and dynamism are the foundation of our success. We motivate teamwork, while valuing safety, mutual respect, realism, commitment and responsibility. We promote initiative and continuous training for all. Their safety is our priority. This is a permanent commitment that we support by reinventing our awareness-raising actions. A culture of safety is built and maintained every day.
- 3- Our industrial partners, suppliers of our activity, which are an essential component of our development. We establish lasting, demanding and fair relationships with them.

## **H - RISK MANAGEMENT**

The Group has deployed an enhanced risk management process within each of its entities. The tools for analysing these risks are defined at different strata of the value chain and according to the issues or fields of application, starting from the Single Occupational Risk Assessment Document (DUER) for human risks, to the Analysis of Failure Modes, their Effects and Criticality (FMECA) and SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses for products and processes and strategic SWOT analyses at the level of activities and entities. These management tools make it possible to prioritise risks and anticipate any event that could weaken the Group.

For example, today with an offer focused on an automotive sector evolving in a complex and constantly changing environment, the Group has taken stock of the industrial and commercial challenges ahead. These tools have made it possible to orient its strategy towards an enrichment of its offer and an expansion of its field of action to reduce its level of dependence on the automotive sector and, more particularly, on the internal combustion engine.

With a long-term view in line with our strategic development plan, we act at all times with fairness and integrity and, thus, our decisions take our social and societal responsibilities into account. We are compliant with laws and regulations and are committed to protecting the environment.

Four CSR issues were selected, helping to create a common culture:

- Economic performance, quality and ethics
- The development of employees
- Anchoring in local life
- Respect of the environment

The risks highlighted through these four issues are validated by the Group President and remain a priority in a turbulent context of multiple crises that significantly affect SIFCOR's industrial activities.

Enjeux	Risques majeurs	Indicateurs clés de performance ou information qualitative
LA PERFORMANCE ÉCONOMIQUE, QUALITÉ ET ÉTHIQUE	RÈGLES ÉTHIQUES DANS LES AFFAIRES	Formalisation d'un code de déontologie
	COMMUNICATION AUPRÈS DE NOS PARTIES PRENANTES	Certification IATF16949-ISO9001 du système qualité
	ACHATS RESPONSABLES	Transmission d'un manuel d'assurance qualité sécurité environnement énergie aux fournisseurs
L'ÉPANOUISSEMENT DES SALARIÉS	PROMOTION DE L'ÉGALITÉ ET DE LA DIVERSITÉ	<ul style="list-style-type: none"> <li>• Effectif total</li> <li>• Pyramide des âges</li> <li>• Pourcentage effectif femmes</li> <li>• Pourcentage effectif cadre</li> <li>• Pourcentage femmes chez les cadres</li> </ul>
	AMÉLIORATION DES CONDITIONS DE TRAVAIL	<ul style="list-style-type: none"> <li>• Salariés formés</li> <li>• Heures de formation</li> <li>• Heures de formation par salarié formé</li> <li>• Taux de fréquence des accidents de travail avec arrêt déclarés</li> </ul>
	INTÉGRATION DES NOUVEAUX SALARIÉS	<ul style="list-style-type: none"> <li>• Participation à des initiatives de soutien pour l'emploi des personnes handicapées</li> </ul>
	DIALOGUE ET COMMUNICATION INTERNE	<ul style="list-style-type: none"> <li>• Accords collectifs conclus durant l'année</li> </ul>
	EVOLUTION DU MODE DE MANAGEMENT	<ul style="list-style-type: none"> <li>• Initiatives visant à privilégier l'équilibre entre vie privée et vie professionnelle</li> </ul>
	DÉVELOPPER LES ÉCHANGES DE COMPÉTENCES	<ul style="list-style-type: none"> <li>• Contrats d'apprentissage signés</li> </ul>
L'ANCRAGE DANS LA VIE LOCALE	FAVORISER L'EMPLOI LOCAL	<ul style="list-style-type: none"> <li>• Actions de soutien au développement local</li> </ul>
	SOUTENIR DES ACTIONS SOCIÉTALES	
LE RESPECT DE L'ENVIRONNEMENT	LUTTE CONTRE LE RÉCHAUFFEMENT CLIMATIQUE ET LA CONSOMMATION DES RESSOURCES	<ul style="list-style-type: none"> <li>• Consommation totale d'énergie</li> <li>• Emissions de GES Scope 1</li> <li>• Emissions de GES Scope 2</li> </ul>
	RECYCLAGE DES DÉCHETS, DIMINUTION DES POLLUTIONS ET PRÉSERVATION DE LA BIODIVERSITÉ	<ul style="list-style-type: none"> <li>• Production des résidus huileux</li> </ul>



## I - POLICIES AND RESULTS

### 1 - ECONOMIC PERFORMANCE, QUALITY AND ETHICS

#### ETHICAL RULES IN BUSINESS

From January 2020, the SIFCOR Group will implement an anti-corruption program in accordance with the SAPIN II law. It extends to all its subsidiaries and concerns all its employees, customers, suppliers and partners. Since the end of 2023, the SIFCOR Group has instituted a Code of Ethics applicable to all its subsidiaries, thus consolidating our commitment to responsible and sustainable business practices. This Code of Ethics is based on four fundamental principles:

1. **Respect and Protection of Persons**
  - Priority being given to occupational health and safety
  - Promoting diversity and combating harassment
2. **Ethics and Integrity**
  - Compliance with anti-corruption regulations and prevention of conflicts of interest
  - Control of gifts, sponsorship and lobbying activities
3. **Relations with Stakeholders**
  - Respect of rules of competition
  - Commitment to protection of the environment
4. **Protection of Assets**
  - Protection and responsible use of Group assets
  - Confidentiality of information and appropriate record keeping

In order to ensure adherence and effective implementation of these principles, a training and support program will be deployed in the last quarter of 2024 in all our subsidiaries. This program aims to raise awareness and train all employees on the requirements of the Code of Ethics, including training sessions.

The purpose of this Code of Ethics is to continue to promote a culture of integrity, build the trust of our stakeholders, create a respectful and inclusive work environment, and ensure rigorous compliance with legal and regulatory obligations.

#### COMMUNICATION WITH OUR STAKEHOLDERS

This Extra-Financial Performance Statement, published since 2020, attests to our desire to communicate transparently with all organisations having contact with our company. Although it was mandatory in the early years, it is now published voluntarily, highlighting our ongoing commitment to transparency and social and environmental responsibility. For us, it offers a way to strengthen the communication established with our partners for many years, while also reporting on our commitment to sustainable development. The aim is also to promote CSR in the value chain in order to involve other actors in this new societal vision of the company.

Openness and transparency are fundamental principles that we want to put at the centre of relations with our stakeholders. For this challenge, special attention is paid to the satisfaction

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of our customers and suppliers. As such, each day we work to maintain close and long-term relationships with our partners. It also requires a high level of quality to guarantee economic performance and the sustainability of the company. Finally, adherence to specific ethical rules is essential to create the conditions for a mutually beneficial relationship with each of our stakeholders.

The quality approach taken by the Group over the past 35 years makes it possible to strive for a high level of customer satisfaction. In fact, our quality system organised by process is certified IATF16949-ISO9001 at our two sites, Forges de Courcelles and AMIS. We also work to improve the tools for measuring our customers' satisfaction and we also track cases that have been the subject of complaints or penalties in order to deal with malfunctions in the shortest possible time.

Our historic industrial sites, FORGES DE COURCELLES and AMIS, are certified for their environmental management approach (ISO14001), reflecting a desire to improve their environmental impact, by optimising water use or reducing waste emitted or reprocessed, for example.

Improvement of the energy efficiency of its production processes also remains a priority for the Group. Since energy is mainly consumed when heating billets before forging or processing, each new investment or renewal of a heater or furnace is an opportunity to improve the Group's performance. The same applies to optimisation of the material used, the quality of start-up of the production process by complying with assembly and adjustment standards or the effectiveness of execution of manufacturing operations. As part of the development of methodical energy management to promote responsible energy performance, we are ISO50001 certified. All of this is consistent with a virtuous dynamic of financial performance that ensures the competitiveness and sustainability of the Group.

With respect and well-being at work for our employees, each of our historical entities, FORGES DE COURCELLES and AMIS, is ISO45001 certified. All our entities aim for zero accidents based on respect for rules, commitment and dialogue.

### **RESPONSIBLE PROCUREMENT**

We involve and educate all of our suppliers in our approach to CSR. This is why Forges de Courcelles initially sends each major new supplier our Supplier, Environment, Safety and Quality Assurance Manual (Customer Specific Requirement), charter of responsible and ethical purchasing. AMIS also sends documents from the quality system addressing the CSR theme, including working conditions, ethics and the environment. These documents include:

- The General Technical Specifications relating to steel purchases.
- The General Technical Specifications relating to component and subcontracting purchases

These documents are submitted and signed by the suppliers to guarantee their commitment. In addition, AMIS has a CSR charter, which represents our commitment and reflects our desire to create a lasting positive impact. We are committed to continually evaluating and improving our practices to actively contribute to building a more sustainable future.

Just as we map and monitor the volume of kg of CO<sub>2</sub> per tonne of steel purchased, we have set ourselves the objective of dividing the 2017 reference of this criterion by 3 by 2030. In

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addition, as a priority we integrate, in our purchases for production at Forges de Courcelles, steel originating from the recycling sector, maintaining a rate of use greater than 50%. By 2023, this practice was already in place, ensuring our commitment to sustainable and responsible practices. From 2024, Forges de Courcelles has begun choosing its steel based on the steelmaker's CO2 performance, reinforcing our commitment to reducing our carbon footprint and promoting more environmentally friendly production methods. In addition, AMIS is already using 100% recycled steel, demonstrating our willingness to push our sustainability efforts even further.

In 2023, we conducted a more in-depth analysis by steel item and supplier by integrating the three scopes. Any consultation for a new steel benchmark will now incorporate the CO2 criterion as a clearly highlighted and selective element, reinforcing our commitment to reducing our carbon footprint and promoting sustainable practices.



## 2 - EMPLOYEE DEVELOPMENT

### PROMOTION OF EQUALITY AND DIVERSITY

In its general policy, the SIFCOR Group fights against all forms of discrimination, whether in terms of sex, gender diversity, origin, disability or age. Regarding professional equality, gender equality action plans have been formalised and implemented. In fact, Forges de Courcelles et AMIS initiated negotiations concerning professional equality in 2023, resulting in decisions to support the following actions:

1. Reduced pay gaps: Pay equity throughout the career is an essential foundation for M/F equality. The SIFCOR Group ensures that women and men receive equal pay for the same level of responsibility, training, experience and professional skills. The remuneration policy applies without discrimination to men and women.

In order to obtain an equality index greater than or equal to 85 points, AMIS aims to achieve, over three years, a result of 33 points out of 40 for the pay gap indicator, and to introduce a female representative among the 10 highest salaries. Similarly, to reduce the gap observed, it is recalled that the percentage of women who have benefited from an individual increase is at least equal to the percentage of men who have benefited from an individual increase for the same position.

2. Access to training: Access to training for all employees is a determining factor in ensuring real equality of treatment in their career development and in the development of qualifications within the SIFCOR Group, which wishes to continue to expand the opportunities for the professional development of women towards positions with a technical dimension. In fact, AMIS sets itself the objective of developing its training policy in order to increase the training rate of women in the technical field to a level greater than or equal to 10%.

3. Hiring: SIFCOR is committed to promoting diversity as early as the recruitment stage by ensuring that female hires make up at least 20% of permanent hires. In 2023, out of 13 managers hired, 3 were women.

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Another focus of our diversity policy aims facilitate the hiring of young graduates through several partnerships with schools and, in particular, the regular integration of trainees and apprentices within companies. Work/study arrangements are also developed at our sites.

The integration of people with disabilities remains a priority in our social policy at French sites. In fact, concerning Forges de Courcelles, in 2023, following 16 declarations of suitability with restrictions, the 16 employees concerned were reclassified. Only two employees, for whom an incapacity with exemption from seeking reclassification was issued, were dismissed.

### IMPROVEMENT OF WORKING CONDITIONS

Several aspects characterise the policy implemented by SIFCOR to improve the working conditions of employees.

The first of these concerns many training actions carried out each year for employees, based on the use of a GPEC (Predictive Management of Jobs and Skills) system to anticipate the needs, through annual or multi-year individual interviews carried out as part of a review of objectives and by means of professional discussions.

Then, in terms of health, actions are carried out on the ergonomics of workstations in offices and workshops, by robotisation, on air quality with, for example, better ventilation of workshops, all in connection with exposure to assessed risks as well as training on the risks generated by poor handling movements to prevent MSDs. In 2023, the following specific actions were carried out at different sites, among others:

- ✓ Provision of various materials to improve working conditions, including:
- ✓ Multi-directional remote microphone for a hearing-impaired employee.
- ✓ Posture harness to assist standing or sitting workers to reduce postural or joint stresses for two employees.
- ✓ Torque wrench to reduce tightening strain and impact wrench.
- ✓ Electronic earplugs.
- ✓ Insulation of the base of the south social areas and replacement of the windows for better insulation.
- ✓ Installation of an air purifier to improve air quality in workshops.

In order to structure the protection and well-being actions to be carried out with our employees in the areas of TMS, RPS, exposure to ACDs, noise, a management plan called the Multiannual Health Agenda, led by the HSE department and presented during the CSSCT, was built in 2021.

To prevent any risk related to safety in the workplace, a drastic policy is implemented on awareness and involvement of employees in compliance with the instructions. Safety sheets are posted internally and distributed to new hires to raise their awareness of this issue. These safety rules or instructions are also enforced for any external person, service provider or visitor, from the time they enter one of our establishments. In addition, a daily collection system for processing low-risk signs of occupational accidents is set up by sector of activity, which is the subject of immediate actions as part of the continuous improvement of prevention.

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### INTEGRATION OF NEW EMPLOYEES

We regularly organise visits to our industrial sites in order to make our various business areas known. In 2023, Forges de Courcelles organised a visit for students of the Eugene Decombe Vocational High School in Chaumont on 5 September 2023, in order to familiarise them with the different trades and opportunities within the industry. These visits are also intended for schools as part of discovery classes, students in professional or engineering licenses, as well as local organisations such as Pôle emploi. We can also see similar initiatives at AMIS:

- Interns in Professional Retraining: In 2023, AMIS welcomed a group of Greta Montluçon trainees, offering them a valuable perspective on industrial careers.
- Students pursuing a BUT degree in Mechanical and Productive Engineering: A group of students pursuing the BUT in Mechanical and Productive Engineering from the IUT of Montluçon also visited the facilities of AMIS, thereby discovering the different facets and opportunities of their future profession.

These initiatives demonstrate the SIFCOR Group's commitment to promoting education, training and the discovery of industrial trades, while actively supporting students and retraining professionals in their learning and professional development journey.

Since we are constantly in search of new talent, we attach great importance to the integration of our employees. Upon arrival, they receive a 2-hour module that highlights our values and commitments in terms of Quality, Safety, Environment and Energy Performance. On this occasion, a welcome booklet is presented and given to each newcomer. They are then followed in their discovery of the company as part of an integration circuit.

In addition, we have stepped up our commitment to student internships and are actively participating in events like the European Disability Employment Week. These initiatives demonstrate that the industrial company offers opportunities for personal development that are accessible to all.

For the 2023-2024 school year, AMIS sponsored a group of students from the IUT de Montluçon participating in a design-creation competition for an inter-IUT walking robot. This initiative reflects our commitment to supporting education and innovation, while integrating new talent into our business.

In addition, Forges de Courcelles asks each new employee to provide a discovery report. This process collects fresh impressions and new ideas, contributing to the continuous improvement of our processes and the successful integration of new entrants.

Through these actions, we affirm our commitment to promote the industry as a dynamic and inclusive sector, ready to welcome and develop new talent.

### DIALOGUE AND INTERNAL COMMUNICATION

Standardisation of the means or media of communication contributes, despite the distribution of the workforce in different geographical locations, to communicating effectively internally within the Group.

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Newsletters, internal newspapers and website info are created, by establishment, with an editorial board involving several employees and their management. Distributed several times a year to all employees, these materials serve to communicate about current events and corporate projects.

Employees can be asked to give their opinion on a wide variety of topics, such as continuous improvement, using the tools available to them and also to report any anomalies found in the context of prevention (idea boxes and defined management processes).

Everyone in the company is taken into consideration during an annual or biannual interview with their manager, allowing them to express their thoughts on the different areas that concern them. Similarly, a social barometer was deployed from 2019 to better understand the perception and expectations of employees in relation to their daily work (feeling of well-being at work). This will allow actions to be taken to improve team satisfaction over the long term. **In fact**, at AMIS, the barometer of the "social climate" is based on individual interviews conducted annually with employees. During these interviews, employees are systematically asked about their level of satisfaction, with justification required in case of a negative response. For the year 2023, AMIS conducted 99% of its interviews and achieved a satisfaction rate of 81%. This process allows us to regularly measure the social climate within the Group and identify areas for improvement. Moreover, Forges de Courcelles plans to add questions on the social climate in professional interviews, following the example of AMIS. These measures reflect our desire to maintain an open dialogue with our employees and to ensure a favourable social climate within our companies.

During 2023, within the framework of relations with the partners of the Comité Sociaux Économiques (Works Councils), the following were established:

### **At AMIS:**

In 2023, AMIS signed five important agreements, demonstrating our commitment to improving working conditions and strengthening our social dialogue:

1. Agreement on Mandatory Annual Negotiations.
2. Amendment concerning performance bonuses: This amendment extends the performance bonuses to the Handling sector.
3. Amendment on the establishment of the CSE (Works Council) 2023.
4. Agreement on electronic voting.
5. Agreement on implementation of the APLD (Long Term Partial Activity) by production unit and temporary suspension of the Employer's Day

In addition, a Report on disagreement concerning professional equality was signed in 2023, highlighting the points of disagreement still to be resolved.

### **At Forges de Courcelles:**

In 2023, Forges de Courcelles signed six major agreements, reflecting our desire to meet employees' expectations and promote fair and beneficial work practices:

1. Agreement on Mandatory Annual Negotiations.
2. 2023 PPV Agreement (Value Sharing Bonus)
3. SD 2023 Time-Savings Agreement.
4. Profit-sharing agreement



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5. APLD extension amendment
6. Report on pre-election agreement

These agreements illustrate our commitment to improving working conditions, promoting the well-being of employees and ensuring constructive and continuous social dialogue within the Group

### EVOLUTION OF MANAGEMENT MODE

The SIFCOR Group strives to develop and promote a caring environment for its employees. Particular attention is paid to the work/life balance. As part of our training programs or cross-functional projects, the remote mode is preferred, reducing unnecessary travel and contributing to a better quality of life for our employees. However, the preferred number 1 format is the intra-company format.

AMIS has set up an electricity contract indexed to the spot price in order to efficiently and economically manage our energy-intensive equipment. In January 2023, the decision was made to work on this equipment, such as the forge, only at night. In February, work schedules were adjusted to include evenings and nights, before returning to a normal cycle as early as March 2023. This initiative prevented peaks in consumption during periods of high electricity costs, while maintaining efficient production.

Forges de Courcelles, meanwhile, worked on changing working hours in connection with the price of electricity. This process was preceded by consultation with staff representative bodies. Then, implementation of the new schedules was done on a voluntary basis and, if necessary, through the use of temporary work. This approach has made it possible to optimise energy consumption and reduce costs.

These initiatives also illustrate our commitment to creating a flexible work environment that is responsive to the needs of our employees, while adopting responsible and sustainable practices.

Team cohesion and collaborative work are central elements of our corporate culture. We actively encourage the development of cross-functional projects and the establishment of inter-subsidary work groups. In 2023, we made the strategic decision to implement a new ERP (Enterprise Resource Planning) system. To ensure the success of this project, we adopted a collaborative approach by drafting inter-subsidary specifications to ensure process harmonisation and a significant improvement in operational efficiency across the Group. Similarly, to meet the requirements of the CSRD (Corporate Sustainability Reporting Directive), we have created a dedicated inter-subsidary project team. This team has set up workshops focusing on Environmental, Social and Governance (ESG) aspects with a bottom-up approach. This made it possible to integrate feedback and ideas from all employees, thus fostering a culture of sustainability and a shared sense of responsibility. These initiatives make it possible to create synergies, share knowledge and optimise skills across the Group. By fostering collaboration between the different subsidiaries, we stimulate innovation and improve operational efficiency.



### **3 - ANCHORING IN LOCAL LIFE**

#### **DEVELOPING SKILLS EXCHANGES:**

The SIFCOR Group actively participates in the training and integration of new generations into the labour market. Thus, initiatives are undertaken every year in companies to welcome trainees and apprentices of all levels in order to introduce them to our different professions.

Involvement with local communities is an integral part of our CSR strategy. The aim is to involve SIFCOR and its subsidiaries in development of the territories in which it operates, taking into account their particularities, to play the role of a responsible corporate citizen, but also to fuel local, social and economic dynamism.

We participate in collective actions through associations to promote the trades of the industry. With, for example, in the Nogentech cluster, we are part of an approach aimed at encouraging involvement and dynamization among Haut-Marnaise companies. They are structured around three standing committees, training, communication and technology. In particular, we are in charge of running the training centre. We also participate in Nogentech breakfasts that are organised each month on cross-disciplinary themes

In September 2023, Nogentech co-organised the Industry 4.0 Meetup, welcoming industrialists for a visit to the Forges de Courcelles site. This visit made it possible to discover the latest technological and organisational innovations of the forge. The main objectives were to discuss the challenges of digitisation, process automation, and improving the quality of life at work, while putting people at the heart of industrial transformation. Our approach has three focuses, namely to promote integration, strengthen local economic dynamism and develop associative partnerships at the social and environmental levels.

For the 2023-2024 school year, AMIS sponsored a group of students from the IUT de Montluçon participating in a design-creation competition for an inter-IUT walking robot. This initiative supports education and technological innovation among young talent. Forges de Courcelles participated in the UTT Innovation Crunch Time, a challenge allowing students to meet technological or organisational challenges. A partnership with UTT led to a TIPI (Industrial Transition through Innovation) and, currently, an intern from an engineering school is doing his final internship with us. These concrete examples demonstrate the commitment of AMIS and Forges de Courcelles to support local, humanitarian, sports and educational initiatives, thus contributing to the development and well-being of the community.

As a priority, we pay a large part of our apprenticeship tax to institutions in our industrial basins.

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### **PROMOTE LOCAL EMPLOYMENT**

It is a matter of preserving local employment while wanting to retain all staff once they have joined an entity, but also of developing the activity itself directly within the territories by recruiting employees locally, close to their places of residence, while developing, through our internal training programs, the skills necessary for the specificities of our professions.

It is also a question of supporting new engineering schools that are located in the environment close to our industrial units, such as IUT de Montluçon, UTT.

In addition, our territorial anchoring approach also consists in favouring local suppliers with responsible procurement, such as the purchase of training, temporary work and annual maintenance services for green spaces by the APAJH (Association for Adults and Young People with Disabilities).

### **SUPPORTING CORPORATE ACTIONS**

Forges de Courcelles sponsored the local association Trek'rev for its participation in the Trek "Elles marche" in Morocco, supporting the league against breast cancer. On 8 July 2023, Forges de Courcelles supported the first petanque competition organised by the football associations of RS Mandres Junior and Les Jeunes Saulxuris, bringing together 74 doubles and about 250 people, thanks to donations from local companies. We also supported the triathlon club in which one of our employees participates, thus promoting the sport. In addition, Forges de Courcelles sponsored the Mosaic theatre troupe by encouraging cultural diversity and access to art for all. We also supported the Classica Viva association, which aims to bring together a wide audience around classical music through concerts organised in Chaumont, thus enriching local cultural life.



## **4 - RESPECT OF THE ENVIRONMENT**

We are working on reducing CO2 emissions, particularly related to business travel, the use of recycled materials in inputs and the use of renewable energies (RES). Forges de Courcelles has signed a contract to purchase 21% of its energy as green energy in 2023, with an action plan to increase to 100% of RES by 2025. In 2023, AMIS launched a carpooling initiative between employees. A display note was circulated and a registration with the HR department was put in place to encourage staff to come in groups, thus reducing CO2 emissions related to individual commutes. AMIS and Courcelles Forges company vehicles are now mostly hybrids, reducing greenhouse gas emissions compared to purely thermal engine vehicles. In 2023, we showed preference for on-site training and training by video-conferencing. Very few trainings take place externally, thus reducing travel and associated emissions.

### **COMBATING GLOBAL WARMING AND RESOURCE CONSUMPTION**

The SIFCOR Group is firmly committed to modernising and renewing its industrial facilities, dedicating a significant proportion of its investments for this purpose each year. Our equipment, such as heat treatment furnaces, induction heaters and compressors, are at the heart of this initiative. We also place special emphasis on prevention in terms of quality, safety and the environment.

This strategy significantly improves our industrial performance while limiting our energy consumption. The optimisation of manufacturing processes and the use of LED lighting systems for 3 years now, until 2024, in all our workshops bear witness to our commitment to reduce our energy footprint.

Raising awareness of eco-gestures among our employees is a priority. Through various internal communication media, including monthly flashes on HSE themes to encourage good practices on a daily basis. Our green spaces are maintained without pesticides, and some benefit from eco-grazing.

In addition, we have put in place measures to limit water consumption, including through the use of new water softeners. The 2023 energy crisis intensified our efforts to reduce gas and electricity consumption. These actions, applied to all sectors of the Group, have enabled certain sites to significantly reduce their gas and electricity consumption, with identical production.

The SIFCOR Group continues to promote a sustainable and responsible approach, aiming to reduce our environmental impact while maintaining high standards of industrial performance. As a committed actor, Forges de Courcelles conducted a review of its greenhouse gas emissions and embarked on a transition process via the Diag Décarbon'action proposed by Bpifrance, in partnership with ADEME and in collaboration with the Bilan Carbone Association. Assistance was provided by Industrie Environnement Sécurité.

Our efforts focus on reducing greenhouse gas (GHG) emissions through a variety of initiatives covering Scopes 1, 2, and 3. At both AMIS and Forges de Courcelles, we have taken significant steps to optimise our operations and minimise our carbon footprint.

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- **Eco-design and Reduction of Raw Materials (scope 3):** The two companies have worked on eco-design projects to reduce the use of raw materials and improve the efficiency of production processes, including lightening the implementation weights of billets and using more efficient equipment to minimise scrap and chips.
- **Energy Management Plan (Scope 1 & 2):** We implement energy management plans to reduce energy consumption and integrate a share of green energy into our purchases.

### **More specifically, in terms of specific initiatives at AMIS:**

#### *Transport and Mobility (Scope 3)*

- More than 25% of the kilometres driven by our company vehicles are driven with hybrid vehicles, thereby reducing CO2 emissions.
- Inter-site transport (shuttles) and customer deliveries (which are our responsibility) are optimised to the extent possible. For example, we reduced the number of shuttles between Montluçon and Guéret by 13% between 2022 and 2023.

### **At Forges de Courcelles:**

#### *Reduction of Raw Materials (Scope 3):*

- Purchasing high-performance equipment, such as saws to reduce falling bars and chips, is a priority. In addition, the creation of bases to increase the service life of our tools via rewashing is underway.

#### *Choice of steelmaker and decarbonisation strategy (Scope 3)*

- GHG emissions are mitigated by carefully selecting our steelmakers according to their decarbonisation strategy, their sector and their location. Our Purchasing department has been working on this aspect for many years.

#### *Freight and Transport (Scope 3)*

- We are in the process of purchasing a biofuel truck to perform the daily transport of our parts from one of our subcontractors (electroplating, cataphoresis).

## **WASTE RECYCLING, REDUCTION OF POLLUTION AND PRESERVATION OF BIODIVERSITY**

In terms of recycling, office waste sorting systems are set up mainly for paper, cardboard and glass, but also all electrical or mechanical waste relating to our maintenance activities for our industrial resources. Actions, in particular within Forges de Courcelles, have been undertaken since 2019 to eliminate cigarette butts tossed at the dedicated areas and to recycle those that are collected.

We also have a proactive policy to reduce industrial waste to limit the cost of recycling it. As a result, a number of measurement methods have been put in place to quantify and optimise the

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just-in-time consumption of lubrication products, both for forging and machining parts. One of these actions was done in partnership with the manufacturers of these products. Since 2014, the establishment and operation of an in situ physical-chemical station at Forges de Courcelles have significantly reduced the pumping volume of our effluents. This initiative has had a considerable impact on the logistics of our transport, increasing the number of truck transports from 1 per day to only 3 per year. This station, which is still in place and constantly improving, is a testament to our commitment to sustainable and environmentally friendly practices.

With the establishment of a plastic packaging reuse sector in 2021, we made it possible to repackage 225 IBCs over one year and, thus, avoid the production of 8.7 tonnes of steel, 3.4 tonnes of plastics and the emission of 19.1 tonnes of CO<sub>2</sub>.

We have been working with our cleaning company for at least 4 years to no longer use products with pictograms or, for the one that maintains the green spaces, to limit their work during the nesting period.

An action on the reuse of forging tools took full effect in 2021, making it possible to significantly reduce the purchase of steel blocks and specific treatments, virtuously reducing the volume of CO<sub>2</sub> generated on the manufacturing and transport savings for purchases of these blocks.

### **5 – METHODOLOGICAL NOTE: other criteria**

Only the Group's France scope is a reference on social and environmental elements. Stévenin-Nollevaux and the Chinese and Indian entities, whether majority-owned or not, are outside the scope of this report.

A CSR management IT tool has been deployed since 2020 on the Group's French entities, allowing the standardisation of supports and indicators. A repository presenting all the definitions of the indicators has been developed to avoid any distortion in understanding and homogeneity in the reported data.

The elements published in this report are the result of monitoring carried out by domain drivers in charge of these indicators. They meet the criteria expected in other supports such as internal process management, social assessment, BDES, gender equality.

Because of the types of activities of the Group's companies, the Group considered it irrelevant to address, in this report, the criteria relating to the fight against food waste, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food, actions to promote the practice of physical and sports activities, actions to promote the Nation-army link and to support the enrolment in reserves.

### **Definitions of the few indicators produced in the attachment to this report:**

#### **Social indicators:**

Total workforce: this is the physical workforce only for permanent and fixed-term contracts employed and paid on 31 December

Percentage of managers: number of managers out of total staff

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Age pyramid: Headcount by age group out of total headcount

Absenteeism rate: this is a number of days of legal absences accumulated over the year (sickness and others) divided by the average workforce over the weighted year of theoretical days of work

Frequency rate: this is the number of accidents with absence X 1000000/ Number of hours worked per year

Amount spent on training: cost of organisations + payroll of trained people + ancillary costs of trained people (transport, accommodation, meals, etc.)

Rate of employees trained: employees trained out of total workforce

### **Environmental indicators:**

Waste re-use: tonnage of waste reused out of total tonnage of waste

GHG SCOPE 1: It is defined in relation to the consumption of both off-road diesel used by forklifts and Serapid and natural gas used for heat treatment of parts, pre-heating of dies as well as for heating of buildings

GHG SCOPE 2: it is defined from the power consumption (this information is communicated by EDF)

Production of oily residues: These are graphite residues from the lubrication and cooling of forging tools. We track the following key performance indicator: Number of litres used per tonne of steel forged

Total energy consumption: this is the sum of energy consumption including electricity, gas, non-road diesel.

# ATTACHMENTS

- **Economic model**

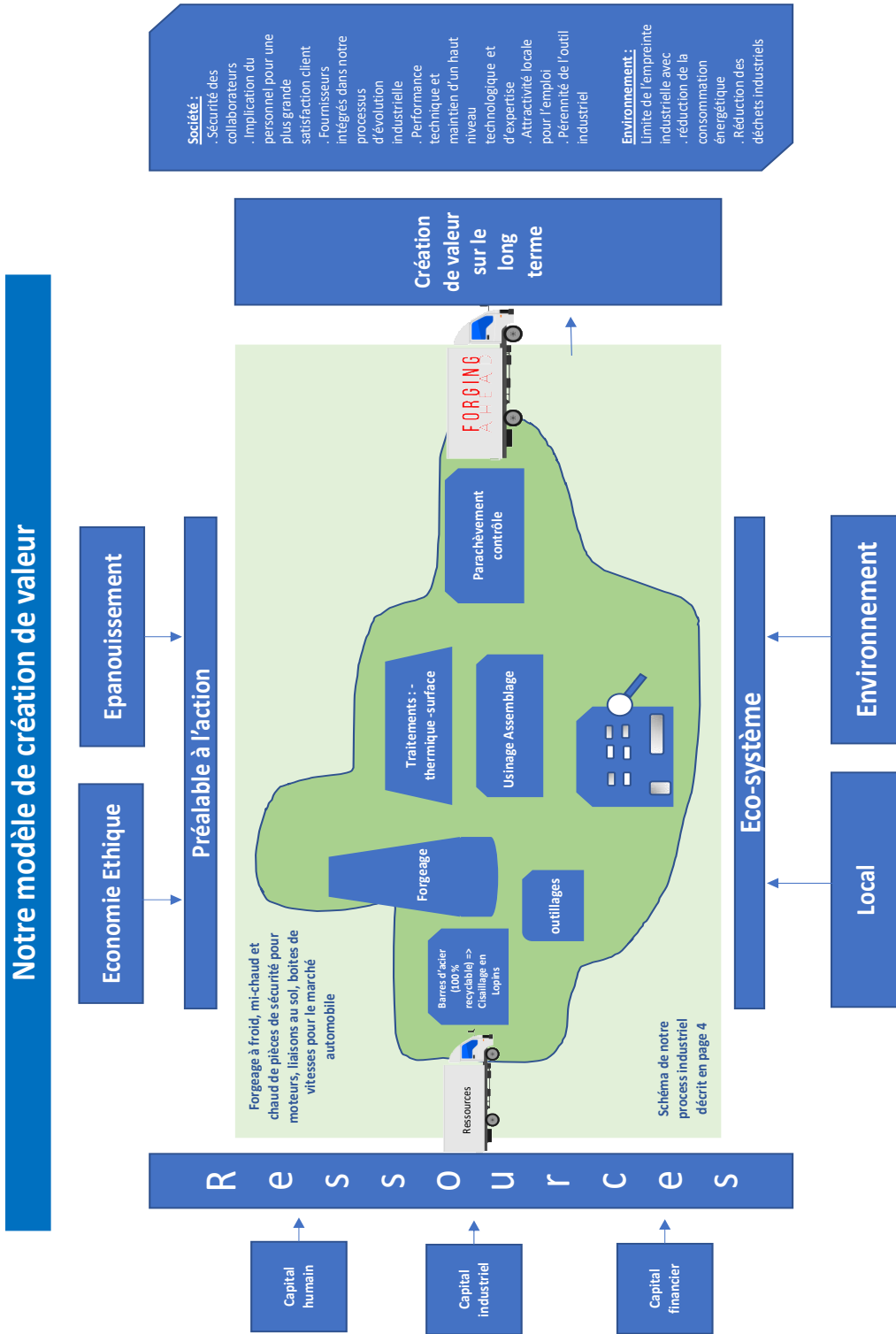
- **Indicators:**

**Economic**

**Social**

**Environmental**





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The successive crises since 2020 are not without effects on the industrial activity of the Group's entities, which may explain some variations on the indicators in the tables below.

**ECONOMIC INDICATORS** \* (Data not published on the website)

	2023	2022	2021	Unit
Turnover				Millions of euros
Operating result				Millions of euros
Net result				Millions of euros
Acquisitions of fixed assets				Millions of euros
Total staff size				Number

- \* Information from the report on the Group's consolidated financial statements

**SOCIAL INDICATORS** (data not published on the website)

	2023	2022	2021	Unit
<b>Job (value 1 &amp; 2)</b>				
Total staff size				Number
Percentage of women				%
Percentage of managers				%
Age pyramid				
Under age 30				%
From 30 to 44 years				%
From 45 to 60 years				%
Over age 60				%
<b>Organisation of work (value 1 &amp; 2)</b>				
Rate of absenteeism				%
<b>Health and Safety (value 2)</b>				
Number of accidents at work with absence				
Rate of frequency of accidents at work with declared absence				%
<b>Training (value 2)</b>				
Amount spent on training****				Thousands of euros
Employees trained				Number
Rate of employees trained				%
Training hours				Number
Hours of training per employee trained				Number
Apprenticeship contracts signed during the year				Number
<b>Equal treatment (value 2)</b>				
Percentage of women in management				%
<b>Promotion and compliance with the provisions of the ILO fundamental conventions ***</b>				
Recorded incidents relating to freedom of association				Number
Recorded incidents of discrimination				Number
Recorded incidents of forced labour				Number
Child Labour Incidents				Number

\*\*\* concerns the entire consolidated Group and includes minority JVs where the Group monitors its partners and makes them aware of the importance of respecting these 4 principles.

\*\*\*\* in 2021, increase in the cost of training following correction at an entity by integrating salaries and related costs incurred for people trained at the same entity

## ENVIRONMENTAL INDICATORS

(Data not published on the website)

	2023	2022	2021	Unit
<b>General policy on the environment, pollution and waste management (values 1 &amp; 4)</b>				
Reuse of waste				%
GHG emissions scope 1				T CO2e
GHG emissions scope 2				T CO2e
Generation of non-hazardous waste				€/ton forged
Generation of special waste				€/ton forged
Oily residue production <small>(per 1000)</small>				L/ton forged
<b>Consumption of drinking water</b>				
Consumption of drinking water				M3
Consumption of river water				M3
Surpassing of water consumption				Number
Total energy consumption				MWH

(1) : The calculation method was not the same as the previous year. In fact, the denominator of the calculation was based on heated tons and not forged tons.