

Extra Financial Performance Statement

2022 Report - Ugitech Europe



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We're off again!

Beyond the emotion that is still very present, the post-accident period was extremely trying since we had to reinvent our daily lives, shake up our habits to change a multitude of procedures.

It is by clinging to our values and by a titanic teamwork that we succeeded. It is also thanks to our eco-system that we have come out of one of the most difficult moments in our history. I want to thank the stakeholders who helped us, because without them, we would not be where we are today. It's impossible to name them all, but it shows that a collective is much more robust than any individual, no matter how farsighted.

Thanks to this support, and despite the huge challenge of restarting our melting shop, we have maintained our medium-term vision of society.

The following document highlights all these initiatives which have a very strong value in the context of 2022. It is the proof that Ugitech has not let go of its civic responsibilities, without ever forgetting our late colleague.

Together, for a future that matters.

Patrick Lamarque d'Arrouzat

Member of the Executive Committee of Swiss Steel Group Head of Stainless Steel Division



Let's stay the course!

In 2022, our Ugitech teams were able to mobilize to recover collectively from the tragedy while strengthening ties with the entire community that makes up our eco-system.

This momentum allows us to return to conditions that will enable us to relaunch the realization of our strategic project for the year 2025. As the new CEO of Ugitech SA, I am committed to maintaining the dynamics and ambitions of our CAP 2025, which fully integrates the Corporate Social Responsibility component of our company.

Raphaël Rey

Director of Operations for Ugitech's production entities Managing Director of Ugitech SA

Ugitech, Production entity of Swiss Steel Group

Today, the Swiss Steel Group is one of the world's leading suppliers of customized solutions in the field of long special steel products. The Group is one of the world's leading manufacturers of tool steel and stainless long steel and is one of the largest companies in Europe for alloyed and high-alloyed structural steels.

With almost 10,000 employees and its own production and distribution companies in more than 30 countries on five continents, the company provides comprehensive support and supply to its customers and offers them a complete portfolio of products and services worldwide.

One interlocutor. One voice. One brand.

In September 2022, Swiss Steel Group began a change to stabilize and strengthen its business to grow, to improve the effectiveness and efficiency of its processes and especially to better serve its customers.

We are consolidating our businesses for a more comprehensive androbust portfolio, streamlining processes for a simpler and more efficient organization, and presenting a single face and voice to the customer who will associate all our products with Swiss Steel Group.

The previous Business Units - Ascometal, Deutsche Edelstahlwerke, Finkl Steel, Steeltec and Ugitech - have been replaced by three clearly defined divisions that reflect our customers' needs: Stainless Steel, Engineered Steel and Tool Steel.

These divisions have their own sales and distribution networks and have access to the entire production network of our group.

Our customers benefit from greater clarity on our product portfolio, access to the entire Group's offering, combined innovative power and even greater reliability in production, quality and delivery.

Engineering Steel Division	Stainless Steel Division	Tool Steel Division
Deuts	she Edelstahlwerke Productio	n units
	Ugitech Production units	
	Steeltec Production units	
	Ascometal Production units	
	Finkl Steel Production units	

7 Electric Arc Furnaces
25 production units
> 70 locations
> 30 countries
> 9 000 employees
> 20 000 customers

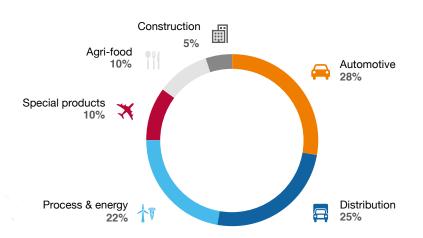
Ugitech, Serving the Stainless Steel Division

Ugitech is one of the world's leading manufacturers of stainless steel long products.

The company's main products are billets, bars, wire rod and drawn wire, which it manufactures in its own melting shop and processes in its hot rolling mill, finishing shops and drawing mills.

Stainless steels are characterized by their high mechanical properties and their resistance to corrosion. They are used in the manufacture of a multitude of parts, including valves, turbine components, welding rods, automotive injectors and surgical devices.

With more than 110 years of experience in steel manufacturing and continuous research in the field of metallurgy, the company guarantees optimal steel solutions for the demanding applications of its customers from the automotive, construction, process industry as well as the aeronautical, nuclear or medical sectors



Together. For a future that matters.

Annual recurring objectives/KPIs

116 KT products

1750 employees

642 M€ in revenues



Our vision

Ugitech, a leading producer of long stainless steels, aims to:

- develop customer intimacy,
- promote the development of employees,
- meet the challenges and integrate the societal issues of tomorrow's world by radiating into its ecosystem,
- be profitable and create value in the long term.

2022

116 KT products

Our strategic axes



Anchoring our **Corporate Social Responsibility**to support a sustainable world



Innovating for our clients by relying on collective intelligence



Ensuring permanent competitive advantage

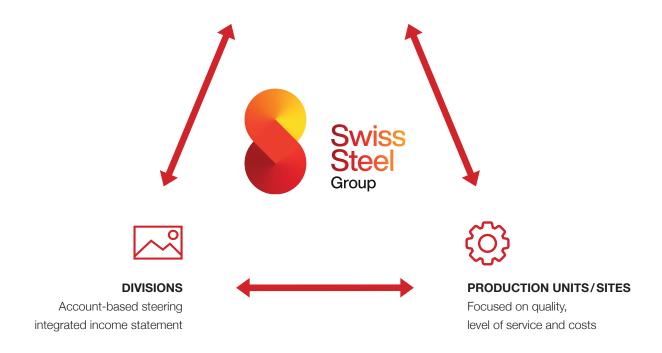


Business model: a new Swiss Steel Group operating model



GROUP FUNCTIONS

Consolidated at the group level with tight integration across sectors to ensure efficiency and compliance



In this operating model, Ugitech is integrated into the production entities.

Swiss Steel Group is committed

An SBTi commitment

In May 2022, Swiss Steel Group has committed to setting ambitious SBTi decarbonization targets.

Aligned with the sectoral directive of SBTi's 1.5°C decarbonization, Swiss Steel Group will develop targets and have them validated by SBTi as a next step. In close collaboration with the group's technology team, we have already created a decarbonization roadmap that will be implemented in the coming years. Ugitech will be integrated and involved in the deployment of actions related to this roadmap.

A double materiality analysis

In order to align our sustainability strategy with stakeholder expectations and in anticipation of future regulatory requirements, we conducted a dual materiality analysis at the Swiss Steel Group level in Q3/Q4 2022.

Sustainability topics are considered material if they either have a significant impact on our business success (outside-in) or if our business activity has a significant impact on the environment and society with respect to the topics (inside-out).

The 2022 materiality analysis was conducted in three steps, namely the identification of potentially material sustainability topics (based on reporting standards, regulations, and competitor reports), stakeholder engagement (structured face-to-face interviews with employees, customers, and suppliers), and an analysis of ESGrelated risks and opportunities.

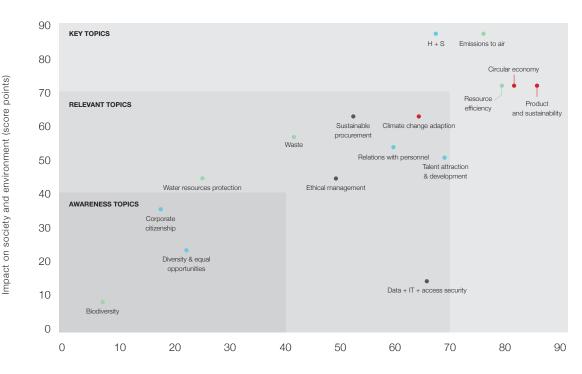
When identifying sustainability topics, we took into account all dimensions of sustainability in a holistic way, namely economic, environmental, social and governance aspects.

Swiss Steel Group is currently evaluating the KPIs and targets for the identified key topics.

Thus, Ugitech will also be integrated and will share this analysis for a more adequate risk mapping.

In addition, Swiss Steel Group aims to align Ugitech's and the Group's sustainability strategies and reporting more closely.

Materiality matrix of Swiss Steel Group



Impact on business success (score points)

Our risk management

Risk management is important issue economy and is one of the central aspects our concerns. As part of the Group's policy, management is one the components of the corporate strategy. helps to inform budgetary choices.

The Swiss Steel Group brings its Risk Management approach to life through a dedicated organization. A dedicated team and a Group Risk Manager are responsible for improving the risk resilience of the Group and its subsidiaries and are involved in operations and decisions within the organization. They support the Group's ability to achieve its operational and strategic objectives. They report functionally to the Group Audit Committee and to Group Management. Their roles have been formalized in a Charter.

<u>Ugitech works on its risks by process</u> and more globally in collaboration with the Group.

An initial identification of potential hazards (threats, weaknesses) is based on an in-depth analysis of the 22 processes, in connection with the strategic axes, issues and objectives to be achieved. It is performed by each Process Manager and includes:

- A study of «strategic» risks in relation to the issues at stake and objectives, through a SWOT analysis (Strength, Weaknesses, Opportunities, Threats).
- An analysis of the operational risks concerning the tasks to be carried out by sub-process.

This results in actions and projects to be implemented by process. The rating of these processes is validated by our Management Committee.

A Ugitech Risk Management correspondent identifies and assesses risks in order to create a risk map. It includes potential hazards and action plans derived from the analyses carried out by process. He prioritizes them thanks to a rating (FMEA type) and monitors the progress of action plans.

The Group also updates its operational, reporting and compliance procedures twice a year with the support of the Group, and provides a quantified estimate of the impact of each risk.

This work provides an overall view of the company's main potential risks, as well as a follow-up of the action plans aimed at controlling or reducing these risks, particularly in the areas related to our social responsibility.

In 2022, the risk map was updated as part of the annual review.

Extract from the risk map

The risk map highlights our concerns in terms of Corporate and Social Responsibility on subjects such as ethics, the environment and our resources, compliance with rules, social dialogue, our partnerships, etc.

In all processes, CSR risks are identified individually.

The table below is an extract of the main societal risks of our company.

Danger/Opportunity (SWOT)

Description	Description of the impact	Projet
Risk of fatal work accident. Serious injuries caused by lack of safety in the tool area (measures to be set up by type of machine). Serious injury due to hazards of transport: pedestrian and forklift. Compliance with local regulations to provide an appropriate work environment for employees working in height.	Civil and penal condemnation (indemnities) Company image/employer brand Impact on personnel. Production shutdown ordered by the court. Increase in ATMP contributions.	Safety strategy with multi-year action plan for compliance Axis of the security strategy.
Lack of water and electricity resources	Production breakdown due to a lack of natural resources.	Water Conservation Working Group: evaluation of all water conservation opportunities and their implementation. All prevention approaches.
Serious environmental incident (discharge of polluted water, leakage of dangerous products into the ground, toxic cloud).	Pollution and stoppage of operations, degradation of Ugitech's image (Discharge into the natural environment of water contaminated by dust from the plant, soil pollution, etc.).	Project for additional water treatment of certain discharges in Ugine (2022 - 2024). Control device in place.
Environmental compliance of tools close to regulatory limits (PFM).	Formal notice to bring the tools in question into compliance, and failing that shutdown of the latter.	Study on the optimization of existing abatement systems or their replacement.
Risk of litigation and illness due to exposure to chemicals (Chromium and Cobalt).	Cost-based evaluation treatment of serious diseases (cancer).	Follow-up of the current procedures.

Construction of the Raw Materials Culture within Ugitech.	Return of non-recyclable internal scraps - Process impact: off-analysis rate	Continued technical investment to improve workshop sorting.
Dusty» image of the steel industry. Degradation of external relations.	Degraded employer brand, lack of attractiveness. Bad image.	Intensify the institutional communication plan. Communication plan in place and regular relations between local residents and the DREAL.
Increased transportation costs in the medium term (diesel, carbon tax).	Price increase.	Development of intermodal flows.
Insufficient «external» resources in number & skills to keep up with our volume growth. Insufficiently known employer brand. Tight labor market in certain functions.	Failure to achieve the business plan. Recruitment difficulties, unfilled positions.	Internal school (page 58). Employer branding project to be perpetuated in Ugine and deployed on remote sites. Maintenance recruitment action plan.
Deterioration of the company's image and its reputation (non-respect of fundamental rights and regulations in effect). Disengagement/deterioration relationships with strategic stakeholders.	Stakeholder expectations (decline in stock market listing), difficulties recruitment, decrease in confidence of customers/suppliers/administration and political organizations/poor media communication.	Deployment of compliance procedures/online training. Non-discrimination and harassment awareness in the services. Recruitment policy anti-discrimination based solely on the skills of the candidates: French law.
Use products from a disrespectful company.	Engaging with a third party that does not comply with the rules of compliance and that does not correspond to the culture of our company.	Supplier Code of Conduct. Purchasing policy.
Soaring energy prices.	Increase in our production costs.	Search for long term contracts in terms of energy supplies.
Risk and compliance management (fraud, cyber crime).	Generate financial losses, reputation, penalties/fines.	Deepen and increase the frequency of training, including for new hires.
Loss of internal or external maintenance skills.	Difficulty in troubleshooting installations, thus lowering the FIT.	Partnership with the René Perrin high school in Ugine to create a work-study program in electrical engineering. Purchasing/maintenance working group.
Disengagement of suppliers from rail transport.	CSR impact (truck vs. railcar).	Freight agreement: Ugitech/Savoie/SNCF.
Weak HR and managerial leadership in relation to strong union leadership.	Increased union power/more punitive strikes.	Management culture project. Social relations action plan (including work on social dialogue).

Thus, the greatest risks for Ugitech are an integral part and are included in the themes of the CSR policy. Other CSR concerns may appear in the overall risk map with lesser stakes.

Our CSR policy

Based on:

- of the 4 axes of our strategy
- of our business model
- of our risk management dynamics
- of our clients'requests more and more sensitive to this subject
- of the Ecovadis evaluation structure with which we have carried out an evaluation at the end of 2022

We have structured our global CSR approach on the following pillars:

ECO-RESPONSIBILITY

- ① Sustainability of natural resources: sustainable products and markets circular economy
- ① Energy and Climate
- ☆ Responsible logistics
- ① Protection of the local environment

SOCIAL DEVELOPMENT AND QUALITY OF LIFE AT WORK

- ① Health, safety and working conditions
- ① Attractiveness, equal opportunities and pay
- ☆ Social dialogue
- ① Skills development and access to training
- ☆ Sustainable partnership with high schools and universities

BUSINESS RELATIONS AND TERRITORIES

- ① Ethics and internal control
- ① Responsible purchasing
- ☆ Employee engagement
- ① Contributions to territories
- ☆ Taxation
- ① Major risk ☆ Important element

Given the nature of our activities, we consider that the following themes: the fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food, food wastage, physical and sports practices, as well as cultural and sports issues, do not constitute major CSR risks and do not warrant a development in this management report

Our CSR involvement

For this year 2022, Ugitech has continued its commitment to a sustainable future in a concrete way.

The projects resulting from the strategic axis Anchoring our Corporate Social Responsibility to support a sustainable world made strong progress in 2022, including:

- Supporting carbon neutrality,
- Improve the quality of life at work,
- Prevent hand accidents,
- Launch the internal school and its Managerial Culture component,
- Promote our social responsibility.

CSR is now a central pillar and the actions carried out and those to come will enable everyone to understand their daily role in this approach and to measure its importance.

Every employee, every stakeholder, every customer is a link to be considered. Sharing our commitment and actions internally and externally will allow us to mobilize together for our future.

This will to act for a sustainable development is also expressed at the level of the general management of our company.



For two years, Patrick Lamarque D'Arrouzat has been involved in the Convention des Entreprises pour le Climat (CEC). The organization brings together 150 business leaders representative of the French economic fabric in terms of geography, sector and size of activity.



CEC must contribute convincing people of t h e vital issue and the urgency of the situation. What better way to set an example than through personal commitment to collective intelligence? As a manager of the Savoyard steel company Ugitech, I realized that I had a role to play, that we all have a role to play. The industry in the broad sense and the steel industry in particular have been committed to this virtuous path for a very long time and there is still a lot to be done. So, in order to share our concrete ideas and, all together, build new projects, I am joining this formidable initiative with a stainless steel will!»

Patrick Lamarque d'Arrouzat





Patrick Lamarque d'Arrouzat, General Manager



Bruno Henriet, Technical Director

Wake up

The culture of energy and environmental management is already well established in Ugitech with ISO 50001 and ISO14001 certifications obtained for many years. The company has therefore been able to implement important actions to reduce pollution, dust in the atmosphere and in the water discharged, drastically reduce water consumption, recover the various by-products and make several investments in energy optimization.

This dynamic has even increased significantly in recent years with the strengthening of CSR initiatives and the implementation of a CAP 2025 strategy co-constructed with Ugitech's 200 managers and certain stakeholders. Ugitech is proud to be able to boast a number of achievements such as: the recovery of waste heat for the Ugine city heating network, a fleet of electric bicycles and electric car charging stations for staff, and large-scale solar roofs.

It is therefore in the continuity of this dynamic that Ugitech has chosen to engage in the approach proposed by the CEC. And from the very first working sessions, in particular session 1 to understand the urgency of the issues, session 2 to understand the importance of the upheavals, we understood that we had to set in motion a new dynamic that was more ambitious, more innovative, more structuring to better respond to the issues...

It is the analysis of Ugitech's impacts that guides our thinking, moving from a logic of continuous progress to a more disruptive logic, even if there remains a frustration at not being able to fundamentally change today our regenerative model nor to sufficiently integrate biodiversity into our approach.



A subsidiary, a group



Steel producer



250 - 5 000 employee



Savoie (73)



International World

REVENUE

100 M€ - 1 BN€

We are, and will remain, steel producers, with the ambition of becoming a reference for the profession and beyond.

As a stainless steel manufacturer, we already have the advantage of having 75% recycled material in our raw materials... this is a positive starting point, but we need to go further and get closer to 100% recycled material to avoid mining altogether.

Our production processes require a lot of energy, even if steel production cannot "physically" be envisaged without energy, we need to optimize our energy efficiency, choose de-carbonized energies, and even recover our waste heat in order to valorize it... this should enable us to be in phase with our objectives of reducing ${\rm CO_2}$ emissions by 40% on our energy consumption.

We have also become aware that a significant part, sometimes up to 80%, of the metal we deliver to our customers is discarded at the outset, in particular by machining and turning processes. We would like to be able to offer our customers a new service, for example in additive manufacturing, to greatly reduce the amount of machining required and thus bring the material produced in our factories closer to the material actually used by our customers.

We have built our roadmap from this reflection, and it will be the basis of a new strategy, Cap 2030, which will have to be shared by the whole company, because we want to be a model of transformation recognized by all players in the steel industry and in industry in general.

The planet demands it, and so do our young employees!

Together, For a future that matters.



Carbon footprint Scope



Carbon reduction target 2030



GENERAL QUESTION: How can we bring our mining and fossil energy needs to «0» and provide our customers with the right amount of energy needed to produce their final parts?

CAP 2030

In 2030, Ugitech will be an industry player recognized for its manufacturing exclusively from recycled materials and its exemplary work on the use of of energy. Ugitech will be a pioneer in the provision of solutions to limit the use of machining and will have built up an ecosystem around these axes.

Redirection levers

- Achieve 100% recycled content (scrap metal, stainless steel, and other elements not currently used).
- To become an example for the industry in terms of the use of energy (sources, efficiency and recovery of waste heat).
- Open the way to the manufacture of parts with very little machining (powder/3D printing).
- To be a player committed to raising awareness among its employees and its ecosystem.

Action plans

- Awareness/communication to better share the urgency to act and get our stakeholders to commit and get excited about our roadmap.
- Under the sponsorship of the CD, a dedicated organization has been set up within the development department, which will be supported by a steering committee and a community of correspondents in all the company's entities.
- The specific work on reducing the carbon footprint will be conducted in line with the Swiss Steel Group's « Green Steel » approach.
- Implementing a «zero carbon scope 3» approach to limit the impact of our supplies of all types, and in particular to substitute needs for mining resources with the UGIRING project.
- Orientation of our investment program towards the axes of our Roadmap.
- Continuation of subjects already started: soft mobility, responsible computing and 0 waste,...
- Launch of a project on the development of additive manufacturing.

Measurable objectives

- CO² emissions, scope 1, 2, 3 reduced by 40% by 2030.
- 100% of the company's employees are aware of and involved in projects of all sizes, but also in everyday actions (soft mobility, carpooling, company restaurant, etc.).
- Launch a new alternative offer to machining (powder/3D printing).
- Ugitech has been recognized, through external surveys, as an innovative and exemplary company that respects the planet's limits.

Mobilization of ecosystems

Working in partnership is essential to develop all these approaches:

- The public authorities to support us financially, through the proposed grant axes.
- Third party private partners for us to accompany on disruptive technologies:
- · Genvia, Lhyfe, on hydrogen.
- Messer on oxycombustion.
- Local political authorities on waste heat recovery.
- Energypool on controlling our electricity consumption.
- Etc.

Taxonomy

The Swiss Steel Group considers its subsidiary Ugitech to be subject to the Taxonomy Regulation as from the financial year 2021. For this reason, Ugitech already publishes taxonomy information in this DPEF.



A new European regulation of Taxonomy 2020/852 of June 18, 2020 on the establishment of a framework to promote sustainable investments in the European Union has been issued (Corporate Sustainability Reporting Directive).

We see it as an opportunity to enhance the sustainable nature of our business and the investments made in this direction.

To meet this regulatory requirement, we have set up a dedicated internal committee made up of members of the Finance, Environment/Energy and CSR departments. This committee has worked to analyze the eligibility and alignment of our company's activities with the taxonomy on the basis of:

- The Climate Delegated Regulation of June 4, 2021 and its annexes complementing the EU Regulation 2020/852, by specifying the technical criteria for determining under which conditions an economic activity can be considered as substantially contributing to climate change mitigation or adaptation,
- The delegated act of July 6, 2021 and its annexes complementing the EU regulation 202/852 by specifying the way to calculate the KPIs and the narrative information to be published,
- Financial information to be extracted from the company's information systems (investment monitoring, consolidation) at the end of the annual closing of accounts, which have been analyzed and checked for consistency with consolidated revenues, the OpEX and CapEX for the year 2022.

KPIs Taxonomy

Under the first two climate objectives (Mitigation and Adaptation to Climate Change) the European Commission has prioritized sectors of activity with a contribution emissions at the European Union level.

According to Annex 1 of EU Regulation 2020/852, the activity 3.9. steel manufacturing is eligible for the taxonomy. Ugitech's activity falls under this category and is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 as long as it meets the technical review criteria set out. Ugitech's activity consists of manufacturing steels as described in section (b)-(i) of paragraph 3.9. of the Annex to Regulation 2020/852.

The 6 objectives of the taxonomy are discussed on the following pages:



Circular economy: see p. 23



Climate change mitigation: see p. 29



Climate Change Adaptation: see p. 29



Pollution prevention: see p. 39



Biodiversity: see p. 41



Preservation of water resources: **see p.43**

In 2022, a detailed analysis of its 3 indicators (CA, OPEX and CAPEX) was carried out in order to evaluate their percentage of alignment with the taxonomy.

Taxonomy-aligned revenue (CA):

Revenue as reported under IAS 1.82(a) includes IFRS 15 revenue and IFRS 16 revenue.



The steel manufacturing business area 3.9 is 100% taxonomy eligible for sales.

In addition, Ugitech uses an electrical process (arc furnaces) to produce its steel and the raw material recycling rate is over 70%. The turnover is 100% aligned with the taxonomy insofar as Ugitech respects the Does Not Significant Harm criteria (DNSH) as well as the minimum safeguards (see below)

In 2022, due to the fatal accident at the melting shop and its shutdown until June, Ugitech was able to source blooms in order to process them for delivery to its customers. All the suppliers of blooms were able to provide us with a certificate guaranteeing that they were produced from an electrical source and with a scrap rate of over 70%.

Operating expenses (OPEX) aligned with taxonomy:



OPEX as defined by the taxonomy are limited to the following direct non-capitalized costs: research and development costs, building renovation costs, short-term rental contracts, maintenance/maintenance and repair costs. This represents an amount of approximately €29M out of a total CAPEX amount of €810M (i.e. 4%) and is 100% eligible and aligned.

Capital expenditures (CapEX) aligned with taxonomy:



CapEX as presented includes the cost of property, plant and equipment and intangible assets: IAS 13, IAS 38, IFRS 16, IAS 40 and IAS 41. The CapEX aligned with the taxonomy correspond to investments directly related to production tools (€11.6m) as well as investments to reduce the level of pollutants in our aqueous discharges and to improve the recycling of our internal scraps (€200k).



Does Not Significant Harm Criteria (DNSH)



Climate Change Adaptation:

Ugitech has carried out a climate risk analysis for its sites based on data provided by an insurance company. Two IPCC (Intergovernmental Panel on Climate Change) scenarios were taken into account RCP 8.5 (Representative Concentration Pathway) for 2030 and, in order to reflect the lifespan of our equipment, RCP 8.5 by 2050. The RCP 8.5 scenario is the most pessimistic of the scenarios proposed by the IPCC in terms of climate change mitigation.

Each of the climatic risks (floods, storms, drought, heat waves, etc.) were evaluated by integrating the existing protection measures and the implementation of new measures were defined according to the evaluation of their criticality (probabilities and impacts).

See p.29

Pollution Prevention and Abatement:



Ugitech's activities do not involve the manufacture, placing on the market or use of substances listed in Appendix C of the Commission Delegated Regulation (EU) 2021/2039. We have a monitoring system in place to verify that all production processes strictly comply with national and European regulations in this area, such as REACH or RoHS.

Our emissions comply with the threshold limits defined by the best available technologies and French regulations.

See p.39



Sustainable use and protection of aquatic and marine resources:

In line with the requirements of the Water Agency, Ugitech has built a procedure for managing water resources. The new projects are systematically assessed to verify whether an environmental impact assessement is necessary. In this case, it is possible to identify the corrective and preventive actions to be taken in accordance with the regulations.

See p.43



Protection and restoration of biodiversity and ecosystems:

New projects are also assessed to determine whether or not an environmental impact assessment is required. It will include potential protected natural areas located near the sites concerned.

See p.41

Minimum safeguards

Ugitech respects the minimum safeguards which are declined on various topics treated in the following pages:

SOCIAL DEVELOPMENT AND QUALITY OF LIFE AT WORK

- Health, safety and working conditions p.49-59
- Equal opportunity p.60-65
- Social dialogue p.66-69
- Competency Development p.70-75

ECORESPONSIBILITY

- Energy performance plan p.33-34

BUSINESS RELATIONS AND TERRITORIES

- Anti-corruption policy, anticompetitive standards, code of conduct and whistleblowing system p.81-85
- Supplier Code of Conduct p.88
- Governance and tax compliance p.89-93

2022 Key indicators

Waste recovery rate Ugine	77,45%
% of recycled content Ugitech	75,1 %
Transport C02 savings in kg Ugitech	615,510 kg eq CO ₂
of metal raw materials received via rail transport Ugine	33%
Water consumption Ugine	26,98 m³/t
Dust emissions in g/ton Ugine	106,1 g/t
CO ₂ emissions (scopes 1 and 2) Ugitech	51,121 teq CO ₂
Lost time injury frequency rate (LTIFR) Ugitech	3
Number of permanent hires Ugitech	105
Quality of Life at Work Index (2021) Ugitech	63 %
Average number of training days per person / year Ugitech	3,8
Number of school visits Ugine	8
Code of Conduct made available Ugitech	100 % of staff
% maintenance purchases made with local service providers expartements limitrophes de la Savoie	77%
Number of internal events Ugitech	1
Number of projects undertaken and in progress	0
Number of financial partnerships	0
In line with the objective	Objective partially met



Eco-responsibility

Natural Resource Sustainability: Sustainable Products and Markets

- circular economy

Definition of the issue

Integrate the sustainability of natural resources into our daily concerns.

Designing products that meet the durability needs that are central to the concerns of designers using metallic materials.

Develop the principles of the **circular economy** on all our activities.

Annual recurring objectives/KPIs

20% Renewal of our product portfolio

75 % Recycled content in our products

Qualitative objectives

To offer the markets we serve, products adapted to more sustainable lifestyles:

- Helping our customers in the automotive market to optimize existing solutions and working with them on the engines of tomorrow.

- To propose to the construction market products that limit the energy consumption of buildings.
- Supporting players in the aeronautics market in the development of low-emission engines.
- Satisfy the demand of luxury markets who want to push the circular economy by delivering bars maximizing the content of recycled products collected within a radius close to the factory (< 200 km).
- Adapting our offer to regulatory requirements (REACH, RoHS).
- Assessing and improving the environmental impact of our products and processes, by developing their life cycle analysis and eco-design.

Develop the principles of the circular economy:

- Favoring the purchase of recycled materials for the elaboration of our metal.
- To create an industrial unit of valorization of waste and industrial metal co-products for the production of ferroalloys.



Existing actions

Circular economy - Raw materials

The stainless steel manufactured in Ugine is essentially made from scrap metal and offcuts from recycling. These recycled materials are supplemented by primary vectors (ferroalloys and pure raw materials such as nickel). The manufacturing process maximizes the contribution of recycled materials.

The raw materials from recycling come from different sources:

Scrap metal purchased from outside

These materials come from circular economy channels and are fully recycled at the melting shop.

Internal falls

Production waste is completely recovered and recycled at the melting shop.

Recycled waste

The site has waste recovery systems for the waste produced by Ugitech (rolling mill sludge, melting shop dust, grindings, etc.). These channels allow the shaping of waste allowing a final reuse in the melting shop.

The recycled content of the products has been calculated for 2022 according to the following formula:

% content recycled = \frac{Tons of raw materials from recycling}{Tons of raw materials loaded}

A distinction is also made according to the origin of the scraps, in order to establish a pre and post consumer recycled content.

PRE-consumer recycled content consists of internal scraps and recycled waste, while POST-consumer content consists of scraps purchased from outside Ugitech.

- Recycled content: 75.1%

- Recycled content PRE consumer: 26%

- Recycled content POST consumer: 49.1%

The recycled content of our products is now monitored at the casting stage by the steelworks department.

In response to a customer request, we have developed a high recycled content grade with a quality and purity equivalent to those required in the medical sector. This specific grade requires a special supply to meet the final quality.

A local supply is implemented, the raw materials are transported from less than 200 km away. This nuance is one of our «Green Steel» offers.

The average recycled content for 2022 calculated according to the taxonomy formula is: 86.7%.



UGI'RING Project

This ambitious project aims to create the first «circular melting shop» in the world. It positions the steel industry, which is essential to many national value chains, as a key player in the recycling of strategic metals.

This project requires a significant investment and the year 2022 has been dedicated to the concretization of partnerships. This project is supported by France Relance up to 10 million euros.

Stainless steel is 100% recyclable.

Stainless steel recovery and recycling channels are already well established. Ugitech is working to offer short channels by recovering its customers' production scraps.

Products for a sustainable world

The world market for stainless steels has been growing steadily for several decades at a rate of 2 to 4% per year. This can be explained by the fact that these products are the perfect answer to the need for durability linked to a better resistance to corrosion compared to more traditional and less alloyed steels.

Products for a sustainable world

The market for long stainless steels has been growing steadily at a rate of 2 to 4% per year worldwide for several decades. This can be explained by the fact that these products are the perfect answer to the need for durability linked to a better resistance to corrosion compared to more traditional and less alloyed steels.

Automotive market

Ugitech works in close collaboration with major automotive industry customers to reduce the ecological footprint of conventional combustion engines and develop hydrogen engines:

- Improved engine combustion with gas pressures up to 3,000 bar.
- Increasing the operating temperatures of the turbos to improve their efficiency.
- Develop stainless steel solutions adapted to the requirements of hydrogen engines: FCEV (Fuel Cell Electric Vehicle) and HICE (Hydrogen Injection Combustion Engine).



From carbon energy to green hydrogen energy

To support the deployment of solutions using hydrogen as an energy carrier of the future, Ugitech has formed a multidisciplinary team whose objectives are:

- validate that the use of hydrogen in our production processes is possible,
- to integrate Ugitech into a regional Hydrogen ecosystem (heavy mobility, Zero Emission Valley, Espace Montagne, etc.),
- to develop new grades of stainless steel adapted to hydrogen embrittlement.



Pilot oven at the University of Graz

In concrete terms, this translates into:

- A project to study the feasibility of substituting natural gas with decarbonated hydrogen in our thermal processes. This project (HYDREAMS) brings together nine European partners and benefits from a European grant. It will take place in several stages:
- The performance of sample tests in a pilot furnace at the University of Graz (Austria) to test the impact of a flame fueled by hydrogen.
- The implementation of two demonstrators (one on the reheating furnace at the rolling mill entrance and the other on a heat treatment furnace).
- The hydrogen supply of the latter demonstrator by a high temperature electrolyzer capable of delivering 600 kg/d of hydrogen. It will be supplied by GENVIA, a partner in the project.

This electrolysis process provides better yields thanks to the recovery of waste heat of Ugine's site (see diagram on next page).

In addition, Ugitech is pursuing projects already initiated such as:

- The continuation of a CIFRE research thesis in partnership with the SIMAP of Grenoble and the CEA of Saclay to improve the understanding of the mechanisms of embrittlement of steels and stainless steel by hydrogen.
- The setting up of a mechanical testing laboratory under H₂ atmosphere which will allow to characterize the hydrogen resistance of stainless steel under different pressure and temperature conditions.
- The continuation of ongoing studies on the Brionne and Reischoff on the supply of green hydrogen for the supply of reducing atmosphere furnaces.

Construction market

Ugitech develops a range of products that significantly increase the durability of structures as well as their energy consumption.

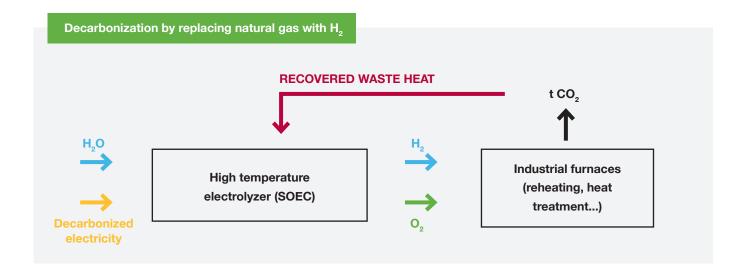
In order to recognize the value of stainless steel reinforcing bars in terms of durability in the building industry, Ugitech:

- Invests in France with the laboratory research laboratory of the Gustave Eiffel University (formerly the research laboratory of the Ecole des Ponts et Chaussées) and the DIBt (Deutschen Institut für Bautechnik) in Germany.



- Develops with a supplier of materials for the building industry a stainless steel grade limiting the energy loss of housing. This new grade has a guaranteed thermal conductivity of less than 12.5 W.m-1.K-1, whereas the standard for stainless steel reinforcing bars is between 15 and 16 W.m-1.K-1 and carbon steel reinforcing bars have a thermal conductivity of 45 W.m-1.K-1.
- Requested the introduction of this grade in the European standard for stainless steel EN 10088-1. This grade is marketed by Ugitech under the name UGITHERM® 4670.

This grade is registered by the European steel reference organization (German VDeH) under the material number 1.4670.



Aeronautical market

Ugitech is participating in the deployment of the Leap engine, developed by Safran and GE, which reduces CO_2 and NOx emissions by 15% compared with previous jet engines. We are developing more efficient more resistant in order to reduce the weight of the parts on board. We participate in the reduction of emissions and eliminate certain surface treatments of parts, which are a factor of complexity and high logistical costs.

Medical market

Ugitech helps its customers to deploy the new MDR 2017/745 and CLP (Classification Labelling Packaging). In October 2021, medical devices containing more than 0.1% Cobalt had to be clearly identified. To meet this requirement Ugitech has developed, during 2022, a wide range of grades containing less than 0.1% Cobalt. These grades are marketed under the name UGI® XXXX LR (Low Residual).

Blacksmith's market

In order to better meet the demands of this market, we have developed stainless steels with a lower nickel content. This development allows us to reduce our carbon footprint because the nickel introduced in these grades is manufactured in electrometallurgical furnaces which have high carbon footprints. By reducing the nickel content of these products, we are reducing our carbon footprint under scope 3 of the life cycle assessment of these materials.

Pulp and paper industry market

Brionne supplies profiles to manufacture filter baskets in the pulp industry. These profiles allow to replace baskets made of perforated sheets and thus significantly reduce the electricity consumption of paper mills.

<u>Evaluation of the environmental impact of our products</u> and processes.

A Life Cycle Assessment (LCA) has been performed on two grades intended for the manufacture of stainless steel rebar. The results of this LCA are used to establish an Environmental Product Declaration (EPD). It will be verified and published in 2023.

This analysis allows us to quantify the environmental impact of our products. Beyond the manufacturing process, we will be able to measure the impact of raw materials, upstream and downstream transportation, for example.

Ugitech has been trained in LCA in order to perform this type of analysis on products other than stainless steel reinforcing bars. This is the basis of the eco-design approach, which enables the precise quantification of environmental impacts throughout the life cycle. Ugitech thus has the capacity to carry out internal LCAs on its products, in order to have an eco-design approach.

In order to have non-toxic manufacturing processes for our operators, we have initiated a process to replace our bar chromium plating process, which currently uses hexavalent chromium, a carcinogenic product, with a non-toxic chromium plating process.

This development is being carried out in partnership with the largest French companies in the automotive and aeronautical sectors and is coordinated by a public technology research institute (IRTM2P). This work is at the stage of defining a new formulation.

Ugine Research Center is working on a breakthrough technology for chromium deposition by plasma. If this research work is successful, tests In 2023, the «industrial» projects can be considered.

Finally, Ugitech, which is recognized worldwide for its range of UGIMA® stainless steel with improved machinability, continues to develop this product range. These stainless steels, elaborated with a special process at the melting shop enable our customers to machine our bars and wires with good scraps fragmentation and particularly low tool wear. This allows bar turning machines or CNC machines to consume less energy, especially when cutting tools wear out prematurely.

Future actions

- To start the European project HYDREAMS from April 2023 for a duration of 4 1/2 years.
- Continue our work on hydrogen embrittlement of stainless steel with the target of starting traction tests after cathodic loading of H₂ in 2023 and pressure testing of H₂ in 2024.
- Develop partnerships on 3D printing to adapt the UGIWAM® thread to the use values expected by users.
- Publish an Environmental Product Declaration (EPD) for certain building applications.
- Carry out LCAs on other products in order to continue the development of eco-design.
- Start the recovery of production scraps from our close customers to initiate short recycling channels.
- Continue to work on the production of stainless steels manufactured with laddles consisting of more than 95% recycled content.
- Start our continuous plasma chromium metal deposition line.
- Continue the deployment of the UGI'RING project.
- To submit an operating permit application for the UGI'RING project on the Château Feuillet site..

Performance monitoring

% renewal of the product portfolio

2022

17,9%

2021

122,7%

% recycled content - Ugitech

2022

175,1%

2021

176%

Energy and climate

Definition of the issue

Supporting climate change issues and major international policies, including international carbon neutrality objectives.

Controlling our consumption by taking into account the direct and indirect impact they have on the environment.

Making energy efficiency and climate impact a permanent concern for Ugitech staff.

Annual recurring objectives/KPIs

CO, emissions: Scopes 1 and 2

<0,5 Teq CO₂/T

-1 GWh/year

(electricity + natural gas)

Qualitative objectives

- Improving our resilience to climate change by limiting our CO₂ emissions, through energy saving actions in particular.
- Valuing all of our actions to reduce our carbon footprint.
- Participate in the national effort to control consumption peaks and disruptions of the electrical network.
- Valorizing our waste heat.
- Controlling energy efficiency in our projects.
- Raising the awareness of our staff on the Climate/Energy subjects.

Existing actions

Low carbon policy, evaluations

Within the development department, Ugitech has set u p an Eco-responsibility unit, one of whose missions is to ensure the energy transition. This unit is in charge of the company's decarbonization initiatives.

During 2022, Ugitech within the Swiss Steel Group obtained a limited assurance opinion by DNV on the quantification of 2021 emissions in a «cradle-to-gate» approach. A common quantification methodology was validated during these audits.

Ugitech participated in the ADEME working group for the development of the steel sector transition plan.

Decarbonation plan

The Swiss Steel Group has signed its SBTi (Science Based Targets initiatives) commitment. The objective is to reduce 42% of our emissions by 2030 and 63% by 2035 (scope 1 and 2, ref. 2017). Ugitech is preparing its decarbonization roadmap to achieve these targets.

Adaptation to climate change

Ugitech has conducted an assessment of climate risks (storms, drought, floods, heat waves, etc.) in the perspective of an RCP 8.5 scenario for 2030 and 2050 for all its sites. Adaptation measures have been defined according to their criticality.

CO₂ emission reduction

Ugitech's CO₂ emissions are calculated according to the scopes, defined in the GHG Protocol.:

- Scope 1: direct CO₂ emissions.
- Scope 2: indirect CO₂ emissions related to energy use (electricity).
- Scope 3: indirect emissions upstream and downstream, linked to raw materials, transport and waste in particular.



More broadly, Ugitech works on a regional basis, favoring projects that minimize CO_2 emissions on a global level and not just on its own perimeter. Ugine's site is subject to the ETS 4 (Emission Trading System) - European CO_2 allocation system.

In this context, emissions from the process and from the combustion of natural gas are monitored regularly and verified once a year by an auditing body.

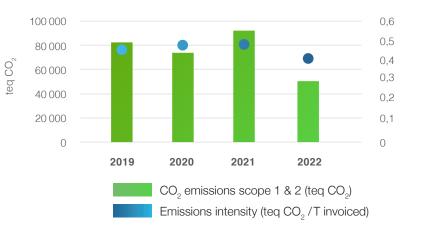
Carbon footprint

Scopes 1 and 2 - Direct and indirect emissions from the use of electricity

Scope 1 is verified annually by an independent body at Ugine's site, as part of the ETS. The verification of the 2022 data quantified ${\rm CO_2}$ equivalent tons of emissions in Scope 1 ETS. This value is down due to the low production in 2022.

Ugitech's scopes 1 and 2 represent 51,121 tons of $\rm CO_2$ equivalent , or an average of 0.4 Teq $\rm CO_2$ / T invoiced. (Graph below)

CO₂ emissions - scope 1 and 2



For 2021 and 2022, Ugine site has benefited from state aid to offset the cost of $\rm CO_2$ in the price of electricity.

In order to reduce its ${\rm CO_2}$ emissions, Ugitech is working primarily on its energy efficiency and is seeking to reduce its consumption of natural gas and electricity. Indeed, more than 70% of the direct emissions reported in the ETS come from the combustion of natural gas.



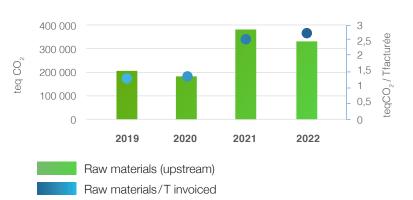
In addition, through its Green Steel Climate + offer, Ugitech has contracted Guarantees of Origin that allow the electricity used to manufacture a Climate + product to be offset by 100% renewable, non-nuclear electricity.

Scope 3 - Other indirect emissions

Incoming raw materials

This indirect emissions item represents the major part of the impact for Ugitech. An evaluation of this item is presented below.

CO₂ emissions - scope Raw materials (upstream)



The objectives of developing the circular economy meet the same ambition as that of reducing CO₂ emissions.

Thus the development of the recycled content of our products contributes to the reduction of CO_2 emissions on this scope. When the casting was carried out with a high recycled content laddle, an evaluation of the CO_2 emissions on the scope of the raw materials impacted was carried out. It shows a reduction in CO_2 emissions between the conventional grade and the grade with a high level of recycled content: Scope 3 shows a 90% reduction in emissions for the raw materials in the laddle.

Cradle to Gate approach

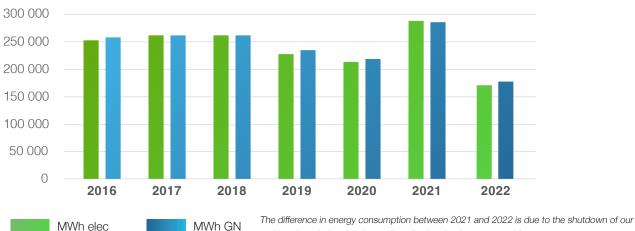
According to the ${\rm CO_2}$ quantification manual , validated by DNV, Ugitech quantifies its emissions using the Cradle-To-Gate approach. This approach makes it possible to quantify the carbon footprint of a product on scope 1, scope 2 and a defined part of scope 3, including:

- Indirect emissions from the supply of raw materials and consumables, as well as than the energy used,
- indirect emissions related to the transportation of raw materials,
- indirect emissions related to slag.

In 2022, the average CO₂ Cradle to Gate footprint of Ugitech's products is 3.35 teqCO /t.,

Energy

Ugitech SA energy consumption in MWh



melting shop during the six months following the January 3 accident.

The CO₂ emissions linked to the upstream or downstream transport of our goods are included in the Responsible Logistics chapter.

The year 2022 is not representative of our traditional activity. In order to cope with the shutdown of the melting shop, stainless steel from outside Ugitech has been purchased in much larger quantities.

In order to reduce this emission item, work must be done on our procurement. In 2022, we have integrated the ${\rm CO_2}$ footprint criterion into our calls for tender for materials.

Energy Management System

Ugitech Ugine and SMEZ have been ISO 50001 certified since 2015, and TFA obtained the certification at the end of 2022. An adapted organization, with energy correspondents and periodic exchanges we have with allows us to control our perimeter.

Our energy management systems are integrated with Ugitech's ISO 14001 environmental management system, allowing for joint management of climate issues.

Ugine site accounts for more than 90% of Ugitech France's energy consumption. This is why the focus is mainly on this site. The other French entities are not included in the energy management system but they take into account the energy efficiency of their perimeter.

Energy consumption

Ugitech uses mainly two energies: electricity and natural gas (NG). Ugitech's consumption in 2022 for these two energies is lower than in previous years due to our sharp drop in activity at the beginning of the year.

Diesel and LPG are marginally used to power our handling equipment. When replacing our vehicles, electric or hydrogen solutions are studied.

Our German sites are seeking to optimize their hydrogen and electricity consumption by optimizing their consumption, renovating their compressed air system and raising staff awareness of energy issues.



SMEZ's energy unit in a meeting

At Ugine site, the supply of gases such as oxygen, argon and nitrogen for the operation of our installations has been entrusted to a subcontractor since the year 2000. The same applies to our compressed air supply.

Energy Improvement Program

In 2022, our team continued to investigate innovative pre-projects such as:

- Hydrogen (production and use);
- Photovoltaics:
- Oxy-combustion (use of O₂ as oxidizer in substitution of air);
- Electrification:
- Recovery of waste heat.

Ecodesign of projects

Ugitech's new investments are analyzed in terms of energy and the environment. Their impact is identified during studies that allow for reflection based on the best available technologies.

In 2022, the frontage of the Reichshof office building was renovated and insulated. This measure will save energy in the long term.

Heat recovery

Our industrial facilities have a potential for the recovery of waste heat (lost during its evacuation), whose valorization is under study.

Since the end of 2021, part of our waste heat has been feeding the Urban Heat Network (UHN) of the city of Ugine. 2022 was the year of validation and optimization of the heat transfer to the network. We took advantage of the work and the proximity of the network to supply two of our buildings, representing 6,000 m² of office space, via the UHN. This partnership makes it possible to reduce each emissions of around 1,200 teq CO₂ on a perimeter excluding Ugitech.

Electrical flexibility

Ugitech has been involved for years in the balance of the French electricity network. We are committed alongside RTE via various electricity market mechanisms contracted with a partner (aggregator). Within the framework of the 2022 contract, three load shedding operations have been carried out. They have made it possible to avoid the production of electricity by fossil-fired power plants (gas or coal), which are high emitters of CO₂. This process also reduces the risk of blackouts on the French, and even European, grid.

Gas load shedding

Ugitech is responding to the government's request by preparing for possible drops in consumption to maintain the state of the natural gas network in France during the winter of 2022-2023.

The creation of a natural gas load shedding network, similar to the one in place for electricity, is being finalized, we will be ready for winter 2022-2023 In parallel, it is necessary to optimize our information feedback for a better analysis of our natural gas consumption.

DataLab

Ugitech is pursuing an energy monitoring project that will enable us to forecast our consumption on Ugine's site.

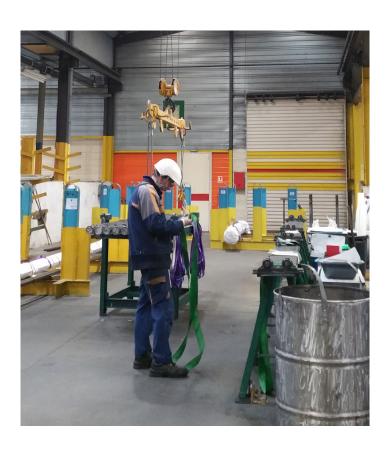
This project will provide us with more relevant indicators that will facilitate the management of our equipment.

Photovoltaic

In 2022, the photovoltaic roof project on our Grigny site was contracted for completion in 2023. The panels of our roof equipped since 2011, were replaced. With the new technologies, while maintaining the power of the plant (~ 150 kWp) the number of panels has been reduced.

Awareness

To accompany our sobriety plan, an awareness campaign for our staff has been developed with a periodic publication. An ELearning tool has been developed to raise awareness among our new hires. It is also available to new employees. Awareness is also integrated into the annual induction of our subcontractors.

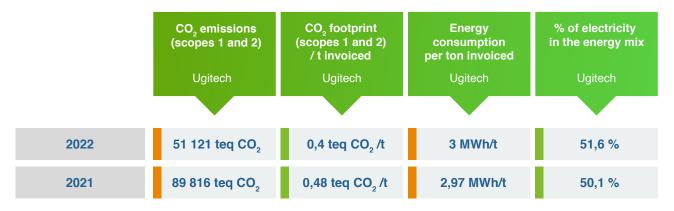




Future actions

- Continue to develop and implement Ugitech's decarbonization plan, enabling it to achieve SBTi objectives.
- Market our Green Steel Climate + product offering.
- Improve the energy performance of our tools and buildings.
- Continue our commitment to adjustment mechanisms with a view to forecasting our consumption.
- Study the installation of photovoltaic panels in Ugine, Bourg en Bresse, TFA and study the replacement of the panels on the roof of Milan.
- Continue the renovation of the heating systems.
- Continue to involve our suppliers in our decarbonization process.

Performance monitoring



Responsible logistics

Definition of the issue

As part of our strategic ambition to support the reduction of our carbon footprint, we want to participate in the ecological transition by promoting soft transport for the purchase of our raw materials and the delivery of our products to our customers.

Numerical and qualitative objectives

We are looking at all possible destinations and our goal is to maximize the use of rail for the transportation of our materials, both upstream and downstream. For the transport of our products to our customers, the objective is to use road-rail for 40,000 tons.

Existing actions

The transport department has continued to work to increase the tonnage shipped by road-rail and to develop other transport solutions. This year, we took a new route to deliver to our customers in Spain.

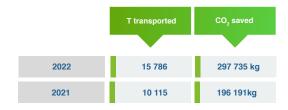
Every opportunity to favour soft transport is studied. Whenever possible, we use rail transport for the reception of bulk materials but also to deliver our final customers.

In 2022, we continued to use the combined rail-road train to deliver our customers in England, using the train from Macon to Calais.

As a result of the January 3 accident - and the shutdown of our production - we have transported less volume to our customers. The CO2 savings achieved are therefore lower than in 2021.

	T transported	CO ₂ saved
2022	2 525	61 060 kg
2021	3 865	92 617kg

In Germany, we have continued to diversify the destinations of our road-rail deliveries.



Since the beginning of 2022 we have used a new line Lyon - Boulou to deliver our customers in Spain.



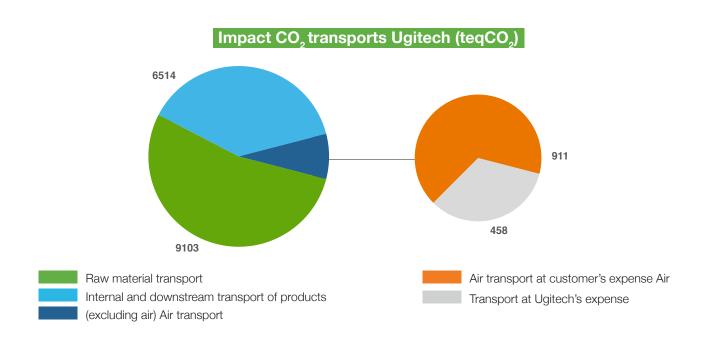


The road-rail share now represents 25% of shipped tonnage. Despite the decline in our shipment volume, this proportion has almost doubled compared to 2021.

We have also used the barge or the train to transport containers loaded with our products from the Lyon region to the port of Fos-sur-Mer.

Future actions

- Continue to develop the volumes delivered by road-rail for our customers in Europe by studying new logistics routes.
- Explore all possible alternative transportation solutions.
- Maintain the use of rail transportation for a portion of raw material replenishment.

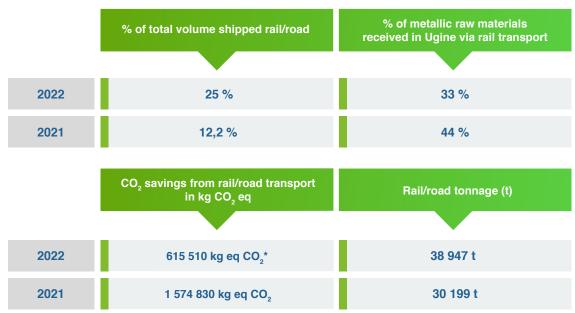


In 2022, Ugitech has established an estimate of the carbon footprint for part of the transport carried out on its behalf. Thus, the following transports are distinguished:

- Upstream transport of raw materials. The mode of final supply (road or rail) as well as the country of production of the metal is taken into account in the calculation.
- Transport of Ugitech products between Ugitech sites and to the customer. Carrier information is used and air transport has been quantified.

In 2023, a more accurate estimate of raw material transportation emissions will be established.

Performance monitoring



 $^{^{\}star}$ The share of «road-rail» shipments increased, but they were made over shorter distances. The CO $_2$ savings are therefore less significant than in 2021.

Protection of the local environment

Definition of the issue

To understand and reduce the impact of Ugitech's activities on the environment: in the areas of water and air emissions, prevention of soil pollution, noise, waste management, preservation of the environment, etc. biodiversity in order to preserve the environment and adapt to the realities of climate change.

For the Ugine site, which is classified as a SEVESO site, work on preventing major accidents and reducing the presence of hazardous substances on the site as much as possible.

Qualitative objectives

- Respect the regulations applicable to the sites and participate in their evolution.
- Raising environmental awareness among Ugitech staff.
- Reduce our impact on the local environment by lowering our water, air and noise emissions and our water consumption.
- Prevent any critical or major accident and reduce the potential effects of hazardous substances.
- Continue to make progress on recovery and reduction the quantity of waste.



Numerical objectives and qualitative annual reports

UGITECH

O critical incidents

≥ 80 % waste recovery rate

≤ 18 m³/t

UGITECHSITE OF UGINE

100% slag recovery rate

≤ 260 mg/l global nitrogen concentration in the water of the finishing shop

≤ 200 g/t dust emissions of the melting shop

UGITECHSITE OF BOURG-EN-BRESSE

≤2 mg/l discharge concentration in phosphorus



Existing actions

Environmental Management System

To meet our environmental challenges, the industrial sites have an environmental management system and are certified ISO 14001 version 2015. The Saint-Étienne and The Grigny sites are to be included in the scope of ISO 14001 certification in 2023. The Italian sites of TFA and Milan are also EMAS certified.

All of the facility's personnel and the surrounding population have also been informed of the measures to be taken in the event of a major accident occurring at Ugine's site.

For several years, we have had a specialized service Ugine's site has a highly skilled « Environment » department responsible for managing and reducing environmental risks. This department monitors regulations and is in close contact with the Regional Directorate for the Environment, Planning and Housing. Each Ugitech site has set up an environmental organization in conjunction with Ugine's environmental department to manage the approach and improvement projects. Each site manager is responsible for the environment in his or her area. In addition, in order to multiply the actions and global vigilance, the prevention of environmental risks is part of the integration course for all new Ugitech employees.

An organization for the prevention of major SEVESO-type accidents has also been set up at Ugine's site. It is based on the Safety Management System, the Internal Operations Plan, the Safety, Fire and Environment Department and on a team of volunteer firefighters regularly trained and educated.

Environmental impact management

Pollution prevention

Ugine's site is subject to the IED **Emissions** Directive) (Industrial regulations. The main activity of the site is the manufacture of steel, so the applicable European document concerning the Best Available Technologies (BAT) is the BREF I&S. The consideration of this document and the respect of the BAT has been studied and taken into account in the review file. The prefectural decree for the operation of Ugine's site complies with the IED regulations.

Despite this, the Ugine site's activity also corresponds to the BREF FMP (Ferrous Metal Processing). The conclusions of this document were published at the end of 2022. Ugitech has contributed to its update by participating in the review of draft regulations.

The other Ugitech sites are not subject to the IED directive.



Aqueous discharges into the natural environment

Water discharges from the various industrial sites are monitored in accordance with current regulations. The results are transmitted to the authorities. According to our ISO 14001 management system, the monitoring of our impact on water is documented: a water management system is in place.

Reduction of overall nitrogen discharges in Ugine

Since 2011, Ugine's site has been working on the industrialization of a pilot acid regeneration plant to reduce the amount of overall nitrogen in the water. The project is now complete and the results are visible. (Appendix)

Improvement of discharges in Ugine

A 3-phase project has started at Ugine's site. The objective of the project is to eliminate a discharge to the natural environment, to allow the treatment of accidental pollution on one of our discharges to the natural environment and to make the treatment of current effluents more reliable. The first phase in 2022 saw the installation of a treatment device sized to handle the new flows. This new treatment will also facilitate the operation of the current activated carbon filterbased treatment

Reduction of Phosphorus discharges in Imphy

Imphy has set up a filtration system for the cleaning baths of an annealing furnace to reduce the consumption of water and phosphoric acid and to improve the reprocessing of associated effluents.

Reduction of Phosphorus discharges in Bourg- en-Bresse

The Bourg-en-Bresse plant discharges its effluents into the river Reyssouze, which is sensitive to phosphorus, which can lead to eutrophication of the river. The plant first set up a substitution project for wire cleaning products used for reduce the presence of phosphorus in our wastewater. Since 2019 the site has been working to improve its water treatment plant before discharge. The results obtained allow us to be in the target set by the administration. (Appendix)

Atmospheric discharges

Air emissions from industrial sites are regularly monitored and are generally in compliance with regulations.

Ambient air measurements have also been conducted around Ugine's site by the Auvergne-Rhône-Alpes air quality association for several years. In 2022, deposition measurements were carried out at two points: one close to the plant, and the other further away. Among the nine parameters measured, one exceeds the benchmark or regulatory values at the point near the plant. The others are in conformity with the national regulation.

In 2022, the level of dust emissions from the melting shop is decreasing and is in conformity with the values required by the prefectural decree (39.1g/t for the maximum 150g/t required for the «furnace» zone) and by European regulations (current efficiency rate = 99.64% for a minimum rate required by the regulations of 98%). (Appendix)

Reduction of atmospheric emissions in Saint-Etienne

The main substance emitted by the site is chromium. Being located in the heart of the city, the site aims to be below the Emission Limit Value set by regulation. The objective is to emit a maximum of 10% of the authorized value. To achieve this objective a complete renovation of our air emission treatment facility was carried out in 2022. The first monitoring results show that this project has been very successful.



Local impact management

Protection of biodiversity

All Ugitech's French sites have been subject to an impact study in accordance with the regulations governing environmentally classified facilities. These impact studies include a section on the identification of biodiversity-related interests and the suitability of the industrial activity for local ecosystems.

No Ugitech site is located in a Natura 2000 area or one of particular interest for biodiversity. In addition, to complete this impact study, a bibliographic inventory of biodiversity interests was conducted in 2017 for each of the French ISO 14001-certified sites. Reviewed regularly, no major biodiversity risks were identified. A more significant approach to identifying biodiversity-related issues is under construction, as well as an expansion to all Ugitech sites.

The main problem currently identified is related to the presence of invasive species, in particular Japanese knotweed on the Brionne and Ugine sites. This plant requires special intervention measures to prevent its proliferation.

Soil pollution prevention

A program to install spill containment facilities for the storage of hazardous products has been deployed at all industrial sites in order to prevent any accidental pollution, particularly of the soil. These spill containments are regularly monitored and maintained.

In 2022, for example, our German sites were equipped with five fireproof holding cabinets with vacuum systems. In addition, a project team has begun work to further reduce the use of solventbased coating agents. Groundwater quality is also regularly monitored.

Noise pollution

Noise emissions from the sites are monitored in accordance with the regulations in force and the results are in compliance.



External communication

Ugine's site has regular exchanges with local residents. The purpose of these exchanges is to focus improvement actions on their specific expectations. An annual meeting is organized and telephone exchanges take place during the year.

Ugitech's other sites meet with their local stakeholders according to their needs.

Waste management

Waste is sorted at all Ugitech SA industrial sites. Material recovery channels are favored when they exist.

In 2022, nearly 44,769t of waste were generated, of which 33,4% was hazardous waste. The year 2022 is atypical in terms of production, the results are not representative of a typical year (Appendix).

Steelworks slag represents the largest part of the waste produced by Ugitech (17,849 tonnes in 2022). It is recycled in road construction in collaboration with a specialized service provider. In 2022, their recovery rate will increase (93%) but will still be slightly below the target of 100%. There are also refractory materials from the steelworks in particular. Some of these materials are recycled through internal or external channels. (Appendix)

Dematerialization of hazardous waste traceability

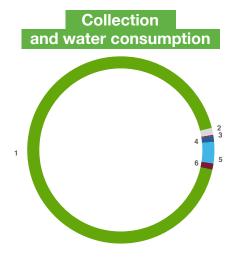
All French sites use the Trackdéchets application. This application allows the dematerialization of the traceability of hazardous waste.

Use of hazardous substances

According to the regulations on taxonomy, Ugitech is not concerned by the use of persistent organic pollutants (POPs). Indeed, the transformers have been cleaned of PCBs in accordance with the regulations in force. The sites do not use the other substances concerned.

Finally, Ugitech still has cooling systems running on the refrigerant gas R22 (HCFC-22). This equipment is maintained and does not leak. In the event of a leak, this equipment would be shut down immediately and replaced by new equipment running on a new gas.

Natural Resource Management



1	Ugine	94 %
2	Bourg-en-bresse	1 %
3	Imphy, Brionne, St Etienne	0 %
4	Milan	1 %
5	TFA	3 %
6	Reischoff	1 %

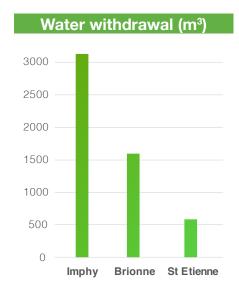
At Ugine site, since 1995, a number of actions have made it possible to significantly reduce the amount of water taken from the natural environment for cooling purposes, in particular by switching to closed circuits in which the water is cooled by air-cooling towers. The amount of water withdrawn has thus been divided by 3 (Appendix).

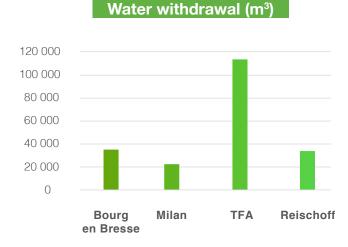
The reduction of water withdrawals remains a major challenge and is a strategic project within the framework of the CAP 2025 projects. Various actions are being identified, including two investments to be completed by the end of 2021. Water-cooled transformers have been installed in series, so as to reuse water several times. A saving of nearly 180,000 m³ of water per year has been achieved.

In addition, a leak repair campaign was carried out on Ugine's site's drinking water network, enabling a substantial reduction in water withdrawal.

The following graphs show the water consumption of Ugitech sites outside Ugine. Ugine site is Ugitech's main water consumer (> 94% of consumption). This site will have withdrawn nearly 2,940,000 m³ from the natural environment in 2022. A study on water consumption at Ugine's site estimated that 85% of the water withdrawn is returned to the natural environment. Thus, the water consumption of Ugine site in 2022 is approximately 440,000 m³. However, in a context of water stress water withdrawal is the monitored indicator.

2022 was a year of drought in France, and the Bourg-en-Bresse and Brionne sites were subject to withdrawal restrictions, which they respected. Ugine's site was also affected, but the atypical production allowed a low impact. A better consideration of the risk of drought and possible adaptations will be worked on in 2023.







Future actions

Reducing the environmental impact of plants

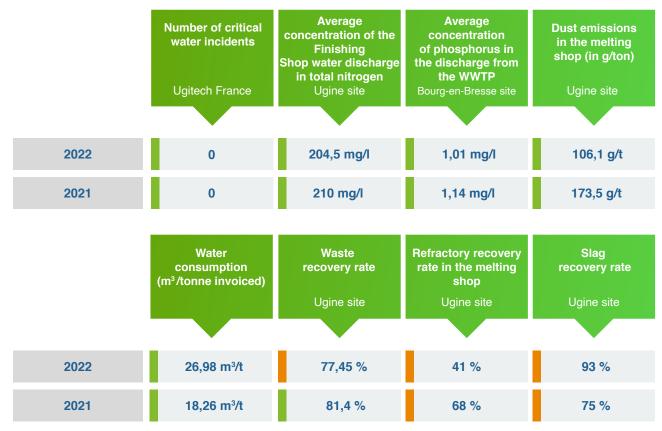
- Implementing an ISO 14001 environmental management system in Saint-Etienne and Grigny.
- Carrying out the investment project to improve the abatement of hydrocarbons on the discharges from the rolling mill (Ugine site).
- Continue to research innovative technologies for the treatment of nickel in water.
- Improve the air treatment system (Milan site).
- Ugine site: continue to invest in improving water discharge treatment and rationalizing discharges.

- Ugine site: prepare the investment in 2024, aiming at restoring the ecological continuity at the level of a water intake of the plant.
- Begin work to bring Ugine site's facilities into line with the best available techniques in the ferrous metals processing sector, as revised and published in November 2022. Implementing the new regulations applicable to SEVESO sites on the subject of preventing pollution in the event of fire.

Reduce the risk associated with water withdrawals

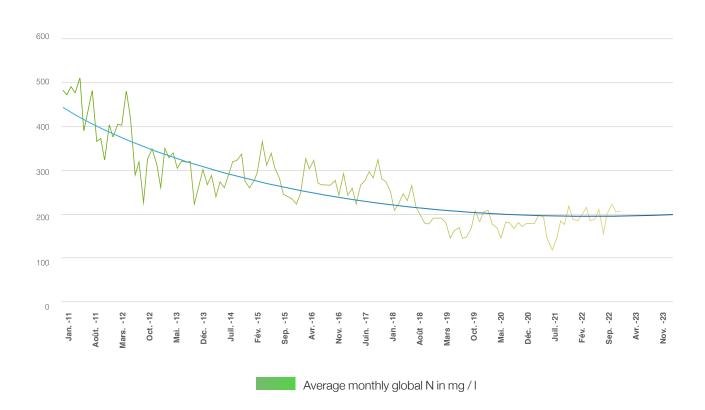
- Deepen the consideration of the risk of drought.
- Continue the project to reduce water consumption at Ugitech.

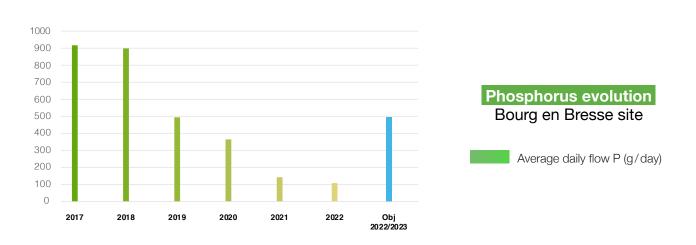
Suivi de performance



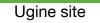
Annexes

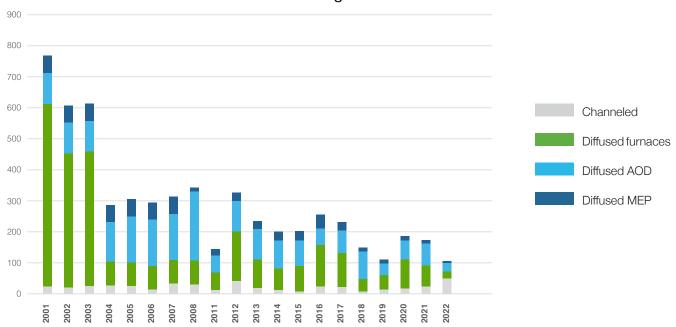
Global Nitrogen concentration in mg/I - stripping workshop discharge Ugine site



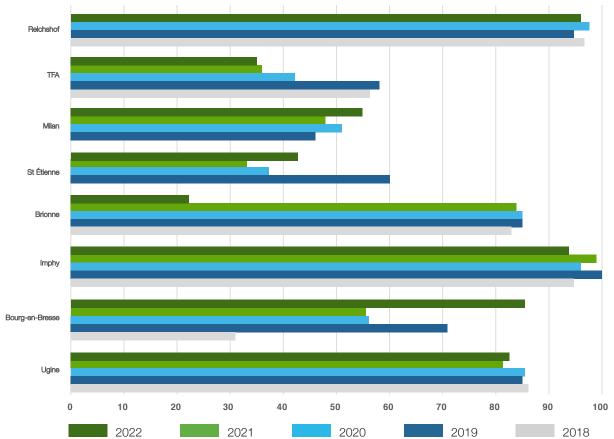


Dust emissions of the Melting shop (g/t)

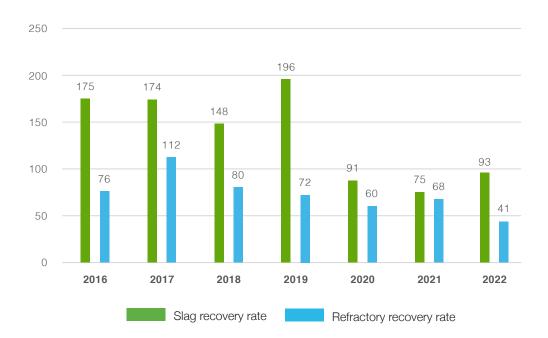




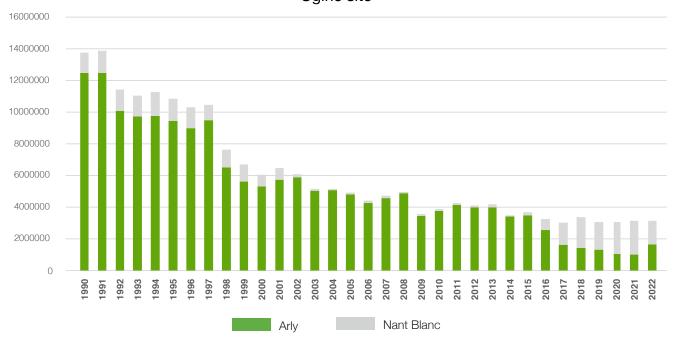


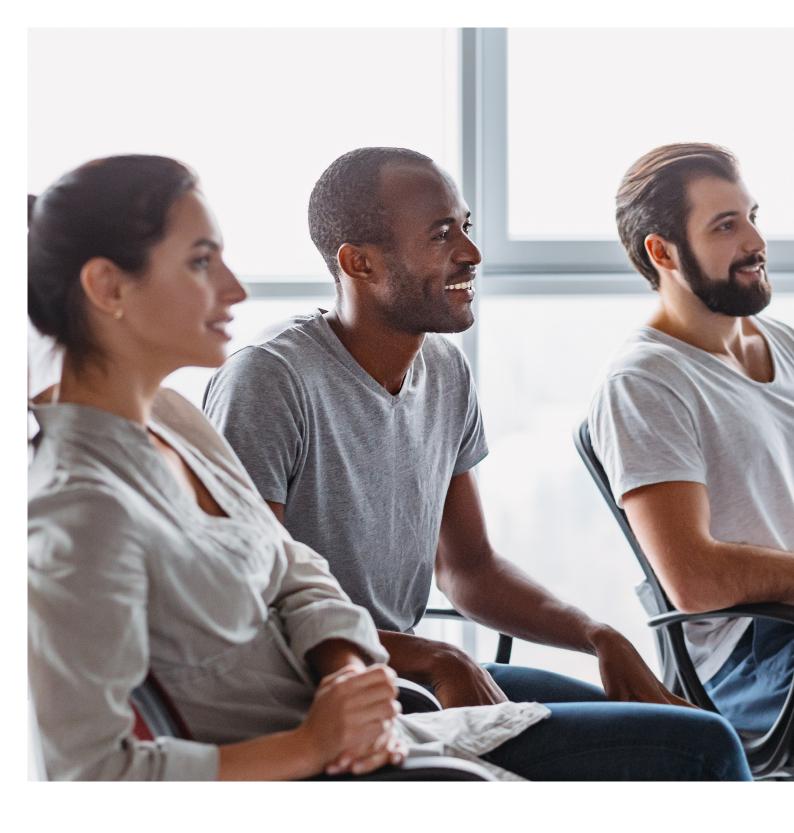


Recovery rate of the main waste products of the melting shop Ugine site



Water withdrawal (m³) Ugine site





Social Development and quality of life at work

Health and safety and working conditions

Definition of the issue

Our priority is to ensure the health and safety of our employees and, more broadly, to promote the Quality of Life at Work (QWL) within Ugitech.

Annual recurring objectives/KPIs

Our ultimate goal is to achieve «zero» accidents and «zero» occupational diseases

Qualitative objectives

Our approach aims to involve all managers and CSSCTs (Health, Safety and Working Conditions Commission) to make each Ugitech employee a responsible player in their own safety and that of their colleagues.

This approach concerns all functions, wherever we operate, as well as our subcontractors and visitors.

Existing actions

We base our action on a long-term approach in:

- The definition of a prevention policy and an adapted strategy that aims to define priorities f o r action based on the assessment of our risks
- The establishment and deployment of an appropriate organization and financial means.
- Steering our health-safety-ergonomics initiatives by deploying an integrated management system that promotes continuous improvement.

We are pursuing a comprehensive three-year transformation plan around six priorities:

- The compliance of our work equipment.
- Traffic.
- Controlling chemical risks.
- Ergonomics.
- The prevention of Psychosocial Risks (PSR) and, more broadly, the development of QWL.
- Falls from height.

This plan is completed by local plans specific to each site. They are revised every year.



A standardized approach

The roles and missions of the HSE (Health, Safety and Environment) players are now better known and recognized as a result of local exchanges and working groups. Cross-functional projects and exchanges between sectors have continued to develop a standardized approach to our needs.

We have launched a complementary HSE approach based on:

- A strengthened organization. Each department has a dedicated HSE team member. Risk Prevention Engineers have been recruited for this purpose in various workshops and sites. We plan to recruit more in 2022 in order to implement our strategy more effectively in the workshops.
- Harmonization of practices between services.

 Minimum standards to be reached are established and best practices are retained and shared. This allows everyone to benefit from feedback of experience the most effective.
- The implementation of a safety management system based on ISO 45001. A pre-audit was conducted in March 2021. Following this, we have launched working groups to bring us closer to the expectations of this standard. We will launch our certification in 2023.

- Safety Culture in conjunction with management operational day-to-day. Management at all levels must be at the heart of our approach. Our strong conviction is shared internationally by the most advanced companies in this field.

This requires increased support for supervisors in order to sustain their daily practices and to promote the appropriation of the approach.

Major news

On January 3, 2022, the Ugitech company experienced a major and tragic accident in its melting shop. An overhead crane collapsed on the ground, resulting in the death of one of our colleagues.

This event profoundly challenged our perception of security, our certainties and priorities. Among these priorities was immediately the accompaniment and psychological support of our employees.

All of Ugitech's teams have been mobilized for this event and its aftermath during the year 2022.

First of all, we conducted an analysis of the causes of this accident, through a multidisciplinary commission made up of members of the CSSCT. Activity at our melting shop was interrupted until the end of June and had a major impact on all Ugitech's upstream and downstream processes. The HSE department was itself heavily involved in managing the accident, analysing it and dealing with its consequences.

Secondly, the findings of the survey led us to carry out a comprehensive program of in-depth verification of all our lifting equipment at all sites and to address the anomalies found.

We have created a commission to investigate and analyze the causes of the accident.



It required the permanent commitment of the CSSCT and, more generally, the involvement of everyone. The objective was to identify the causes and share them in order to restore the confidence of everyone, and more particularly of the crane operators. We ended up with a comprehensive action plan covering both technical and organizational areas. It has enabled us to raise our requirements, even going so far as to define levels of control that go beyond the standard regulatory requirements.

The analysis was complex. We researched and collected information, analyzed the facts. To do this, we had to be methodical while remaining objective. We have adopted an INERIS (Institut National de l'Environnement Industriel et des Risques) methodology for the analysis of major accidents that we have adapted to our situation in order to carry out our work.

The investigation was very technical. We used both internal and external experts. The commission developed its expertise during the course of its work.

The operational teams (operators, supervisors) have largely contributed to the feedback. They have been the subject of regular information and a final report on the committee's work. We have supported or ensured the restoration of confidence in our industrial facilities through a transparent approach and the sharing of information, in addition to the technical actions taken.

This mission was carried out within a constrained timeframe in order to provide answers that could be taken into account in the design of the new crane for the melting shop casting. The company showed its ability to be reactive and efficient.

The four months of work for twelve permanent staff members represent a total of 590 working days. 330,000 euros of studies were spent. The commission produced an official 300-page report that was presented to the public authorities. The authorization to resume activity was issued in June 2022. The commission has met every three weeks since the takeover to monitor the actions undertaken.



Controls, curative and preventive of our equipment

All the lifting equipment was thoroughly checked before being put back into service. For this, several operations were undertaken:

- thorough visual inspections,
- non-destructive testing of structures and carriages,
- numerical modelling by finite elements,
- thorough inspection of the frameworks and rails,
- strengthening our control frameworks.

In addition, we have exchanged with other companies in our sector of activity on the design, the organization of maintenance and the periodic inspection of lifting equipment.

At this time, we can only release the results of the survey on a limited basis.

Health

SMEZ's health actions

Vitamin D measurement

SMEZ (Sprint Metal EdelstahlZiehereien) has developed a partnership with a local health insurance company. On a voluntary basis, some 60 employees had their vitamin D levels measured. Also known as the «sunshine vitamin», vitamin D helps the body contain inflammatory immune cells and strengthens the immune system.

The employees tested were able to detect possible winter deficiencies, making them more susceptible to colds and flu-like infections.

SMEZ would like to continue with a general health check-up for 2023. Employees will be able to meet with health professionals during work hours.

Quality Survey of Life at Work (QWL) 2021

Management, in conjunction with employee representatives, launched its second survey in the spring of 2021 among all Ugitech France employees on working conditions. The results of this survey and its follow-up were to be communicated in the first days of January 2022. In light of the accidental event that occurred, the Management has decided to postpone its release until early 2023.

The survey was conducted on the Internet using QR codes and Internet links available on the computers in the workshop. Paper questionnaires were sent to employees who did not have a work email. This survey assessed the return of actions that were initiated following the 2018 survey.

A summary of the results and an action plan were drawn up by the Joint Monitoring Committee. Technologia, a consulting firm, assisted Ugitech throughout the process.

Balance sheet

In general, the good results achieved in 2018 and 2021 must be maintained.

The various sites and departments are generally aligned. More than 80% of the teams are still recognized as having a dynamic, serene and warm atmosphere. The perception of direct management has The human approach, the dialogue and the trust granted by the hierarchy are particularly appreciated.

Ugitech's management of the health crisis has allowed everyone to feel protected despite the constraints imposed by the situation. Some topics require progress or further positive development: better real-time communication of key information is desired to allow for greater autonomy in the completion of tasks.

New themes have also emerged, such as the work/life balance in telecommuting or the Social Responsibility of our Company. In this respect, the staff considers that Ugitech is committed:

- in the health and safety of the personnel but less in their wellbeing,
- respecting natural resources and environmental discharges.

In 2021, a number of projects have been launched around Corporate Social Responsibility.

52% participation rate. Just over half of the respondents commented and suggestions in open-ended questions.

"The rate of satisfaction with my professional situation as a whole" reached 78%, an increase of 4 points.

The Quality of Life at Work indicator increased from 62% to 63% between 2018 and 2021. It is composed of the following rates:





Commitment: 70 % (72 % in 2018)



Satisfaction: 61 % (59 % in 2018)



Fatigue: 42% (41% in 2018)



Stress: 38 % (37 % in 2018)

Ergonomics

As part of a PRAP (Physical Activity Risk Prevention) approach in 2020, the masonry site at the Steelworks has completed its first phase of securing the masonry pit. Lightweight mobile safety systems have been installed.

In terms of machine compliance, Ugitech continues to deploy its modernization efforts, integrating ergonomics into workstations and capitalizing on feedback from the changes made. This is a crossfunctional and participative approach. Safety at the workstation must be thought out in a practical way in order to be applicable.

In the long term, we are also working to eliminate health risks. This aims to maintain employment through several approaches, including the reduction of arduousness and its factors, the treatment of musculoskeletal disorders, and the accessibility of workstations to all groups of people. It is the subject of a synergy between several departments. Our approach is based on risk prevention: the detection of signs of illness is done as early as possible.

SMEZ's ergonomic actions

In Hemer (SMEZ), the offices for the administrative staff were replaced in 2022. Each employee now has the possibility to electrically adjust the height of his or her desk and can alternate between standing and sitting.

Exoskeleton testing

In December 2022, exoskeletons were tested in the of the central wire in order to reduce the heavy loads borne by our operators.

In 2023, a project on how to optimize ergonomics through XRF testing is planned. Several tons of material are moved every day at work hence the need to provide our employees with a fixed workstation with appropriate aids.

Safety

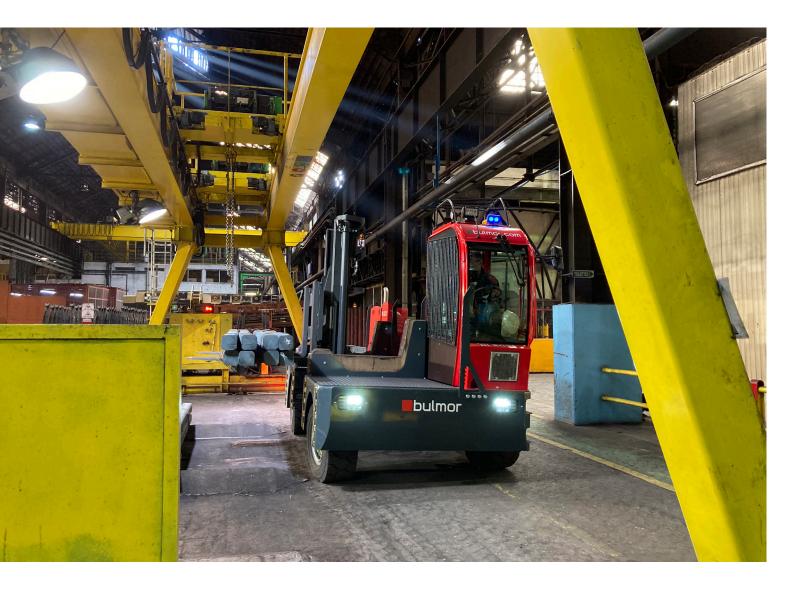
The theme of the GESiM 2020-2022 challenge organized by the steel industry was «Traffic and mechanized handling». The volunteer employees are integrated into a dynamic approach on which we actively communicate. The group dealt with:

- the development of pedestrian/vehicle co-activity sectors,
- evolving standards that capitalize on our experience and take them into account in the development of our new projects,
- Continuous improvement of signage and communication of safety instructions, particularly for our foreign delivery personnel,
- strengthening our safe lifting practices,
- communication around this theme.

Each site has adopted the approach and has developed its traffic plan based on shared solutions. Following on from the Traffic WG and then the GESiM Traffic WG, a Machine WG was launched, focusing more specifically on forklifts.

In June 2022, our teams met in Troyes to present their work to the companies participating in this challenge.

Ugitech is involved in the GESiM 2023 challenge involving the verification stations at the PFM.



Machine Compliance

New machines

Our approach for new machines or transformations is to design them upstream with maintainers, operators and designers/manufacturers. We have established a general procedure that includes the different phases necessary for a successful compliance.

Particular attention is also paid to modifications to existing machines.

Treatment of obsolescence

It is obvious to Ugitech that equipment compliance goes hand in hand with obsolescence treatment. After the large-scale projects carried out in 2020, numerous analyses have been launched in preparation for future investments. This is an opportunity to develop the workstation for both production operators and maintenance staff in an approach that integrates safety and ergonomics.

The dynamic around the cranes, which was reinforced following the accident on January 3, 2022, itself integrates an approach of coconstruction with the operators and integrates upstream the ergonomics at the workstation as well as a well thought-out operational safety. We participate with the manufacturer in the optimization of the design of our lifting equipment.

Security is built collectively

A «Modifs Committee» was launched at the end of 2019 at the Finishing Workshops to exchange and study solutions making daily work easier or safer. Drawing benches, some troughs and even tooling have been able to benefit from this collective thinking approach. It has started to be deployed at the PFM with a first project relating to the conditions of access and intervention of the stacker crane of crowns.

In 2022, the remote sites continued their efforts to provide safe and convenient access to the facilities, particularly the wire drawing machines. Our wire drawing plants continue to collaborate and exchange ideas in order to propose solutions that can be transposed and adapted from one site to another.

Electrical upgrades were carried out at Imphy and Bourg-en-Bresse. Here again, priority was given to maintenance and production start-up operations, for example during the phases when manual operations are most frequent and most exposed.

Ugitech Italia and TFA sites have been undergoing a continuous and profound transformation for several years by rationalizing and modernizing their production tool. This transformation is as much technical as organizational.

SMEZ's safety actions

Prevention of cuts

In 2022, in order to prevent cut injuries, a project team was created at our German sites. After analyzing the causes of these injuries, the group implemented measures, including the use of safety knives. This measure, taken by a staff member, significantly reduced the number of cut injuries.

The «Blue Book» for greater safety

Each employee has a «Blue Book» that allows him or her to report hazards identified within the sites. Each comment is analyzed and corrective actions are taken if necessary. They are recorded in an action plan discussed every two weeks with the managers of the area concerned.

Controlling the risk of fire

A detailed analysis of the fire protection concept was carried out in 2022.

In 2023, a new fire alarm system will be installed, including an extinguishing tank that will allow to extinguish a fire in the factory, but also in the surrounding houses.

On a voluntary basis, each employee has the opportunity to attend fire training. The training teaches them the correct practices to adopt in case of an emergency. In 2022, the number of trained employees was 25%, and this number is expected to increase to 50% in 2023.

First aid training is also provided. At least 50% of the staff must be trained as first aiders in order to be able to provide quick and effective first aid. first aid; currently 40% of the staff has already been trained.

Flood risk management

Our sites are at risk of flooding. A detailed simulation project will be commissioned in collaboration with a local engineering firm. It should allow us to better understand the risks incurred by our site in case of severe flooding.



Visit to our German sites with the district fire department, the fire protection engineering office, the architect and the company management.

Hand injury working group

We have started an inter-service project on hand protection. Our activities require manual operations and hand injuries can be serious. The analysis of our accidentology shows that this is a cross-functional subject that we can address through different approaches. The organization of work and the perception of risks must be associated with our Compliance Machine dynamics. These are approaches generalists to be developed on a daily basis to provide a higher degree of mastery.

Control of chemical risks

In 2022, we continued our program to control chemical risks at our various sites. However, operating conditions have been very strongly impacted by the accident. Our sampling campaigns have been adapted in as a result. The trained correspondents continue to deploy the strategy through garage sales, updating the chemical risk assessment, providing simplified sheets, managing the transport of hazardous materials with the support of the central health and safety department.

In Saint-Etienne

Work has been carried out in the grinding workshop to reduce employee exposure to chromium vapors. More powerful suction systems with external discharge of the fumes have been installed. The year 2022 allowed us to study the airflow phenomena that have evolved with the new vacuum system in order to validate the optimization solutions to be deployed in 2022.

Create moments of exchange

We encourage our employees to take an active role in their own health and safety by creating opportunities for discussion. In 2022, just over 270 near-misses were reported through our reporting system, as well as nearly 1,000 action detections. Depending on their level of importance, near-misses can be analyzed in the same way as a work-related accident. In all cases, these risk situation declarations have made it possible to take into account and deal with situations before there is an accident.

Daily field audits

We conduct daily field audits on various topics related to our activity. This approach covers traffic in the company, lifting on the crane, but also the proper safety training of new arrivals. New audit topics have been developed with the user operational departments. We are now developing our thirteenth formatto respond to specific needs raised by the departments. The deployment of the audits is planned to be progressive by accompanying all the departments thus as well

as and external service providers. At the end of 2022, we launched an upstream/downstream sharing meeting in order to boost this dynamic in all sectors of the company, with a particular focus on the management of risks related to inbound transport.

Seasonal worksite audits

During the major summer and winter shutdowns, more than 100 audits are carried out. Thanks to our daily coordination meetings and our special CSST dedicated to subcontractors, we have noted a significant evolution in the work practices of our service providers over the past several years. We are developing an approach based on structuring themes shared with our service providers. This allows us to evolve jointly in our work practices by seeking a level of requirement and «zero accident».

In 2022, summer shutdown work sites caused no accidents, with or without lost time, for the first time.

We pursue our goal of of development of daily operational safety. In this context, the Ugine site has set up an optimized system of equipment consignment which has required us to upgrade several thousand consignment points.



We train all of our outside contractors in the consignment process, including foreign workers, since the principle of consignment requires that each stakeholder be a stakeholder of its implementation so that it is effective. Regular audits are conducted to ensure that the approach is working properly.

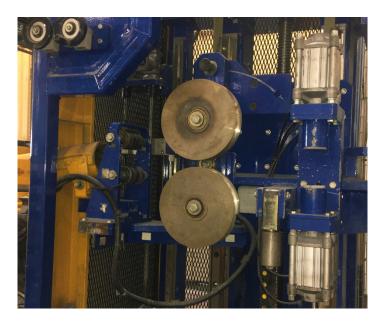
Job Safety sheets

In 2022, a new shared model of a safety sheet at the workstation has been developed. The approach is to involve operators in the analysis of residual risks at the workstation and in defining the necessary protection and prevention measures. The format is visual and synthetic to facilitate the assimilation and application for any newcomer. It is also an opportunity to identify areas for improvement at the workstation so that this tool can be used to improve employee's daily life. These sheets are revised regularly.

Future actions

For this new year we want to:

- Continue our action plan on lifting equipment.
- Pursue our work on hand injury risk, with all our sites.
- Start an in-depth process around the Safety Culture, to mobilize the players and anchor better practices.
- Continue to develop a management by process mode aligned with ISO 45001.
- Engage the Imphy site in the GESIM safety challenge for a final in 2024.
- Redefine the roles and responsibilities of Health Safety Ergonomics within our new organization.
- Continue to develop the skills of our teams.
- Encourage our sites to share their solutions and ideas to make HSE a central focus.



Performance monitoring

Lost time injury frequency rate (LTIFR)

2022

13

2021

11,8

Quality of Life at Work Index

2021

63%

2018

62%

Attractiveness and equal opportunities

Definition of the issue

Ugitech, as the largest private employer in Savoie and one of the top 50 exporting companies in the Auvergne-Rhône-Alpes region, is deeply rooted and involved in its territories.

Aware of its social role, it also works with all local players to develop its attractiveness, employment, training and integration in the industrial professions.

Given our strategic and HR challenges in the medium and long term, it remains a priority to identify and anticipate our needs in terms of organization, jobs and skills.

At the same time, it is important to be aware of our environment and to understand the jobs that are in short supply on the job market. To this end, we have deployed an «Employer Brand» strategy to attract candidates to the industrial jobs of the future.

Annual recurring objectives/KPIs

To welcome each year

45 Apprentices

Professionalization contracts, CIFRE or VIE

65 Interns-schools

Women/Men Diversity

have 20% women in the workforce

Qualitative objectives

- To promote Ugitech's Employer Brand through media communication campaigns.
- Structure and animate our school relations policy by initiating permanent partnerships with targeted schools.



Seduction film made for the employer brand campaign.

Existing actions

Despite the still uncertain economic situation, Ugitech has been able to continue not only to maintain its work organizations but also to continue its recruitment efforts by hiring more than 85 permanent employees in 2022.



Employer Brand

In 2022, we continued to bring our Ugitech Employer Brand to life in order to achieve 3 major goals:

- To develop the geographical influence of the Ugitech brand among the general public.
- Consolidate and develop our partnerships with schools and training organizations.
- Develop our recruitment communication through the use of new visuals and of messages that have were disseminated through modern communication tools.

The rollout phase in multiple media plans began in September 2018.

In 2022, after a slow start to the year in terms of Employer Brand actions, given our context, we relaunched our actions from the 2^{nd} quarter onwards, notably by participating in several recruitment forums for employment or work-study programs organized by schools or local authorities in our territory. We also experimented with new channels by participating in a digital recruitment forum, on the Seekube platform, organized by the French Fab.

In order to promote the industry's professions to young people, the UIMM also allowed us to participate in the Carrefour de Métier organized in Albertville. This meeting allows middle school students in the area to come and learn about jobs and vocational training to help them decide on their career path.

We have put on our website a virtual visit of the site. This allows visitors to immerse themselves in the world of our workshops and to better understand the reality of our working environment.

To identify our future talent externally and raise our standards, we have defined and deployed a recruitment strategy that is differentiated and tailored to each audience by developing innovative recruitment solutions and new supplier partnerships.

In order to boost our recruitment and to widen our search for potential local candidates, we organized a Job Dating event in our offices at the beginning of July. Open to all, this event was a success since it allowed us to exchange with more than 160 potential candidates and to recruit more than twenty of them.

Our recruitment strategy

In order to meet our needs and given the tension in our job pools, we implement multiple recruitment solutions and diversified.

Hosted interim solution

Target: profiles close to the industry. Challenges: reactivity to meet the changing needs of our customers, noncritical jobs.

Solution of direct recruitment in permanent employment

Target: trained and highly experienced profiles in the industry. Issues: filling critical jobs with qualified personnel.

Apprenticeship recruitment solution

Target: profiles trained by us.

Challenges: nticipating our needs by building a pool of talent, loyalty, employer brand.

How: apprenticeship contract.

Recruitment solution through certification training for the external public

Target: profiles far from the industry.

Challenges: anticipation of the volume of the exercise, non-critical jobs.

How: selection by the Simulation Recruitment Method, professionalization contract leading to a CQPM (Certification de Qualification Paritaire de la Métallurgie).

2 groups, i.e. 14 people who had never worked in the industry, started a training course in 2021 to obtain a CQPM.

Recruitment solution, for jobs in tension, by means of training leading to certification for the internal and/or external public

Target: profiles in reconversion.

Challenges: meet the needs of jobs in short supply.

How: professionalization contract or training period leading to a

CQPM (Qualification Certification)

A real breeding ground for our future hires!





Youth Policy

Despite the still difficult health context, we were able to revive the reception of young people within our structures. We confirmed our commitment to youth employment initiated in 2017.

The strategic challenges for the next 5 years remain to attract and retain young talent.

Our Youth Policy aims to meet our skills needs by hiring the best talents after training periods which are based on 4 axes:

- Strengthen our historical school and association partnerships and develop new relationships with target schools. These partnerships involve participation in various activities: recruitment fairs, company visits, course or conference presentations, projects, etc.

- To perpetuate a sustained policy of welcoming trainees in terms of volume and quality (of all levels), in order to meet the real needs of our services. We focus on our shortage jobs.
- Maintain and strengthen an ambitious policy of welcoming work-study students in order to:
 - Actively participate in the training of young people in the industry, to meet our social commitment.
 - Hosting a significant number of work-study students in France, distributed among the business lines:
 - maintenance,
 - related to production,
 - support functions.
- Animate this pool of young talent:
 Integration day for work-study students; Office for
 Work- Study Students/Interns to create dedicated events
 throughout the year.

Satisfaction survey 2022

Ugitech has once again been awarded the Speak And Act's «Best Trainee Experience» in 2022. Our ranking has progressed among the TOP 20 companies rated best by interns and alternates, with an average satisfaction rating of 4.15/5, up from last year.

For the past 4 years, our commitment has been reflected in the signing of concrete and binding partnerships:

- The signing of letters of commitment for the reception of trainees and work-study students with the Lycée des métiers des Sciences et des Techniques de l'Industrie, the Lycée René Perrin d'Ugine (73) (member of the board of directors of the lycée).
- Membership in the Association
 Alptitude des Classes Préparatoires du Lycée Berthollet.
- Membership and involvement in the Board of Directors and office of the Club des Entreprises of the University of Savoie Mont-Blanc.
- Involvement as a Member of the Board of Directors of the AFPMA of the Ain.
- Presence at numerous job fairs and open houses.
- Involvement in the Board of Directors of the CFAI of La Motte Servolex.
- Integration into the Mission's office Local youth of Albertville.

The Brionne site has been awarded the label «Entreprise accueillante Région de Bernay» created by a group of employers in the Bernay region.

It allows companies to capture and share best practices in terms of recruitment, welcoming new employees, training, etc.

Diversification and differentiation of our recruitment processes

To capitalize on our know-how and integrate key skills to develop our markets, we rely on a clever balance between:

- Internal promotion and mobility processes.
- Investment in external recruitment processes.

To identify our internal talent, we have implemented a tool for managing talent, jobs and skills: Talentsoft.

This tool allows us to instantly broadcast all our available job offers to employees looking for mobility.



Future actions

- Continuing the deployment of Ugitech's Employer Brand and outreach on all our sites, thanks to a new media communication campaign.
- Maintain a pool of operators through training leading to certification.
- Set up an internal training program to support our employees' skills upgrading in areas of high demand.

Performance monitoring



Social dialogue

Definition of the issue

Promote responsible social dialogue at the heart of social issues and economic activity, ensuring a balance between social progress and economic performance.

Qualitative objectives

- Protect the health and guarantee the safety of our employees to whom we want to ensure a good Quality of Life at Work (QWL).
- Develop regular and constructive relations with the staff representative bodies based on recognition, legitimacy and mutual respect.
- Rely on a strengthened relationship between managers, staff representatives and employees.
- Develop the satisfaction of our staff.

Existing actions

Continuing responsible social dialogue in 2022

At the beginning of the year, Ugitech experienced a major and tragic accident with the fall of a crane in the melting shop, resulting in the death of the crane operator. In order to analyze and understand the causes of this accident, a multidisciplinary investigation commission was set up to which the members of the CSSCT were invited. The accident that occurred at the very beginning of the year in the steel plant had a strong impact on the employees. During this analysis and understanding phase, the involvement and mobilization of the CSSCT in particular were very strong.

Once this analysis phase was completed, the members of the CSSCT remained mobilized to monitor the resulting action plans. This accident also had repercussions on Ugitech's activity. The 6-month shutdown of the melting shop had repercussions on all of Ugitech's upstream and downstream services.

In order to deal with this situation, all the trade unions have negotiated an agreement with management to implement a long-term partial activity scheme until May 2023. The aim of this agreement is to limit the financial impact periods of inactivity. Thus, in addition to compensation of 70% of salary, a 90% net salary maintenance program has been set up for the first three months of the APLD program.

In addition, remuneration was maintained in full for training courses taking place during these periods.

A profound reworking of our social rules

The various collective bargaining agreements applicable to Ugitech are being thoroughly overhauled with the signing of a new single collective agreement in February 2022. This a new collective agreement that defines new identical social rules for all Ugitech sites will come into effect on January 1, 2024. These impacts are multiple, a major one being a change in classification.

To implement this, an agreement was signed with all Ugitech's trade unions to define the deployment method for this new collective agreement. A monitoring committee made up of staff representatives meets every quarter to monitor the progress of this implementation and any difficulties encountered.



Operational implementation of alternating and chosen telework

The agreement on alternating telework with face-to-face work signed in April 2021 could be implemented as of January 2022, as the telework imposed in a pandemic context was lifted.

Thus, nearly 300 employees have chosen to telework on a regular basis, one or two days a week, or on an ad hoc basis. In Germany, too, our employees have the possibility of working two days per week of telecommuting if their position allows it.

Professional equality

The gender equality index in 2022 is: 78/100.

Ugitech has made commitments in terms of pay gap, promotion and number of employees of the under-represented gender among the 10 highest paid, in order t o achieve a result of 85 points out of 100 minimum. You will find the details of this index on the home page of our site.

Management of disability situations

Ugitech's intention is not to fulfill its obligation to employ disabled people by paying a tax but rather by directly employing people who are recognized as disabled. Ugitech is fully committed to nondiscrimination on the basis of disability, both at the time of hiring and during an employee's career.

To achieve this, it is essential to change the cultural representations of disability. This requires the implementation of an action plan related to the challenges of disability that affects all levels of the company management, supervisors, employee representatives and employees.

On the occasion of the National Disability Week from November 14 to 18, 2022, we organized workshops to raise awareness about disability. The SEEPH is an opportunity to exchange on the subject, to be informed and to be sensitized on the work of the people in situation of handicap.

Each employee has a role to play in making our company more inclusive! This one-hour workshop was based on an awareness-raising part and an exchange part.

For the animation, Mission Handicap worked with an adapted company, a reference actor in the field that offers a new approach around the disability thanks to workshops particularly fun and participative.

We have launched an approach in the field called "Le handicap on en parle"; the objective is to try to remove the obstacles to disability, in order to build our action plans accordingly.

Finally, 2022 was the occasion to host our second Duo Day!

Its principle is simple: on the occasion of the national week of disability, we welcomed a person with a disability. For a whole day, this person was accompanied by a volunteer professional in our HR department.

On the program: discovery of the profession, active participation, immersion in the company.

This enriching day was an opportunity to meet and change our view and, together, to overcome our prejudices.

The open-mindedness of our teams through this day will allow us to continue and develop this action in 2023.





Soft mobility

In close collaboration with our partner Arlysère, we have set up a carpooling application called Klaxit. This application allows to put in network drivers and passengers and to limit the transport in individual car by being alone. This solution pays the driver and for the passenger, it's free!

At the end of November 2022, we had 179 people registered on the application, i.e. 15% of the Ugine site's workforce, which is a good rate of membership.

The network allows 95% of passengers searching to find relevant results.

We have 116 carpoolers on the application which means that 65% of registrants have already carpooled at least once. This is again a very good result!

Co-financing is a real argument for employees to take action.

The implementation of this carpooling was based on a company mobility agreement signed in 2022.

The challenge for the future is to offer employees at all Ugitech sites a varied offer in terms of soft and responsible mobility.

Electric bike rental at our German locations

At our German locations, every employee has the opportunity to lease an electric bicycle. The leasing amount is directly deducted from the employee's paycheck, giving him or her easy access to this environmentally friendly form of transportation and saving money.

Future actions

- To implement of the new agreement in relation with the employee representatives within Ugitech.
- To challenge the organization and organization of working hours in order to meet both Ugitech's operating needs and the aspirations of its employees.
- To accompany the renewal of the various establishment CSEs.
- Continue to implement the actions defined in terms of prevention of arduousness, disability management and professional equality between women and men. and men in order to contribute to the improvement of the quality of life at work for employees.
- Develop actions of soft and responsible mobility.



Skills development and training access

Definition of the issue

Ugitech's human capital, made up of its women and men, is the company's primary asset.

This is the factor that differentiates us from our competitors and allows us to be the world leader in our markets.

To meet our medium and long-term challenges, it is essential to identify and anticipate our needs in terms of organization, jobs and skills, while taking into account employment constraints.

The forward-looking management of our organizations, jobs and skills is a major project to support Ugitech's transformation and its strategy.

It must make it possible to anticipate foreseeable changes in jobs and skills with regard to Ugitech's strategy, defined in multi-year plans.

Annual recurring objectives/KPIs

Our goal is to invest at least

3% of our mass

in the training budget

Qualitative objectives

Our objective is to have the most appropriate organizations and skills to meet our strategic challenges.

Existing actions

Job and Career Management Action Plan

In 2022, we began the deployment of an ambitious action plan initiated in 2020.

These actions include:

- The Planning of Jobs and Skills Organizations. This is a process of anticipating our needs in terms of jobs and skills required to achieve our strategic objectives.
- The implementation of a job map, which aims to promote transparency on existing positions and internal mobility.
- Standardization of on-the-job training actions and implementation of an associated methodology.
- Deployment of the different modules of our HR Information System (Talentsoft), notably the modules: Recruitment with an integrated job exchange, Training/E-learning and Annual Interviews.

Competency Development Plan

Ugitech considers training as an investment in the future of the company and its employees, and not simply as a cost.

Investment in training serves to capitalize on our business knowhow and to develop skills.

Thus, Ugitech's training policy aims to:

- To perpetuate the company's current business know-how and acquire the know-how it will need in the future to continue to be a leader in its markets.
- To ensure an efficient transmission of skills.
- Implementing a global approach career paths.
- Enable everyone to have access throughout their career to the training systems necessary for the proper exercise of their profession and for the success of their career path.
- Implement innovative learning solutions, particularly through digitalization.

2022 was an important year for training. Indeed, the period of production stoppage due to the tragic accident at the beginning of the year made it possible to set up training on partial activity. In terms of the volume of hours completed, 2022 was a record year.

This period was an opportunity to implement skills development and maintenance training, as well as training that was not usually offered to our production operators.

Over 54,428 hours of training completed in the Skills Development Plan in 2022. Training orientations are defined in line with the CAP 2025 corporate strategy:

- Health and safety: in particular regulatory training and those relating to the conformity of machines.
- The integration of new recruits and support for internal mobility to enable them to be operational as quickly as possible and under good conditions.
- The development of the "business" skills of existing employees to integrate the necessary changes implied by the investments made in their sectors, but also to prepare for the changes of tomorrow and the evolution towards other businesses.
- Management: to help managers better support their teams and projects.
- The digital transition: to support all staff in learning how to use the new tools.

Induction training for new recruits has been maintained in accordance with the barrier principles in order to transmit the Group's values to our most recent recruits.





Deployment of an internal school...

Ugitech has decided to create its own in-house school in order to meet its specific business needs.

In Ugine, several courses have been set up in partnership with the Metallurgy branch:

- a team leader course,
- an Autonomous Industrial Production Crew course,
- an Internal Trainer course,
- a Passage Cadre course,
- a Planter's course,
- a Maintenance Operator course.

All of these courses lead to an official certification: Certificat de Qualification Paritaire de la Métallurgie or Certificat de Compétences en Entreprise.

The mastery and transmission of knowhow are important issues for Ugitech.

More than a hundred internal trainers are listed within our company.

Approximately 175 internal training modules are offered in various fields such as continuous improvement, health and safety, business techniques, management and communication.

To help our in-house trainers in their skills development, a certification course has been implemented since 2019 with already 11 certified. The objective of this approach is to identify and enhance the skills of our internal trainers and to support their development. Three other trainers have begun additional training for the implementation of the certification in early 2023.

... and its Managerial Culture Component

The managerial culture can be defined by the ways of being and acting shared within a group of managers and contributing to its stability and consistency.

The aim of the managerial culture approach is to establish a managerial culture shared by all in order to achieve our strategic objectives by strengthening the collective and the commitment of our teams. The challenges of the managerial culture approach are to create a common language and common benchmarks for all Ugitech managers.

The success of our company depends on the women and men in our teams. The managerial culture is a differentiating element that allows us to achieve our strategic objectives.

This is why Ugitech has set up this approach in order to anchor a shared culture and define a base of common references to better understand our VUCA (Volatile, Uncertain, Complex and Ambiguous) environment and to better manage the contradictions and daily difficulties that our managers must face.



The managerial positions within Ugitech are:

- Remain agile and innovative to continuously adapt in a fastmoving world.
- Trust each other through stronger delegation/subsidiarity to be more efficient.
- Giving meaning and working transversally.
- To be demanding and benevolent by ensuring our performance, with attentive listening.
- To be exemplary by respecting the rules and commitments.

The entire managerial line will benefit from Management Culture Days which are organized around 3 workshops:

- Workshop dedicated to managerial postures and our alignment, to take ownership of decisions and directions; Increase alignment and solidarity among managers; Encourage proximity between managerial strata.
- Skills workshop, in order to discover new managerial tools/ knowhow; Review the fundamentals; Practice putting them into practice.
- 3. Co-development workshop, to encourage direct exchange between managers; Break the feeling of managerial solitude; Learn from others, learn from others.

In 2021, two groups of managers have been set up, with over 80 people already involved in the process.

In 2022, all the other groups were launched, i.e. a total of more than 240 managers trained within Ugitech France.

The first three workshops are complemented by five perpetuation modules that correspond to each of the postures. By combining external contributions and internal activities, they allow us to continue the work begun during the first three days of the process.

We have also set up Ugi'Care pairs: two is better!

During the second day of the Management Culture Approach, participants are invited to choose a «CARE» (Coaching, Accompaniment, Feedback, Experience) pair.

This pair will meet throughout the Management Culture process.

The idea is to use collective intelligence by setting up regular feedbacks and thus increase our capacity to change our managerial postures

Digitization for HR development

In 2021, in synergy with the Swiss Steel Group, we have deployed two E-learning training campaigns on the theme of Compliance and Information Security.

At the same time, we have finalized a series of e-learning modules for new hires that cover topics such as site traffic, finance and energy.

Finally, we have also digitized the safety induction for new recruits on their first day on site, as well as for external companies. This enables us to provide complete and consistent information, while optimizing the availability of our internal prevention officers and representatives. To facilitate access to these digitalized modules, we have set up permanent offices in our computer room. Tablets have also been made available, in particular to answer the positioning questionnaires and end-of-training tests.

In 2022, all managers and ATAMs (Administrative, Technical and Supervisory staff) have completed their annual objective-setting and performance evaluation interviews in the dedicated IT module.

Focus on the 2 new courses set up within the Internal School in 2022

Training course on maintenance jobs

The maintenance professions are under pressure on the job market. There are more needs in companies than trained people coming out of school.

To overcome our recruitment difficulties, we are setting up, in partnership with the AFPI Savoie (UIMM training center) and the GEIQ Industries Savoie (Groupement d'Employeur pour l'Insertion et la Qualification) a training course for the CQPM Industrial Maintenance Operator.

Our objective is to create a group of 8 people, without any qualification in the field of maintenance, to make them follow a one year training, in alternation, in order to obtain a certificate and then to be able to integrate our teams in permanent employment.

This project is also a partnership project with companies in our employment area that have similar needs.

Indeed, for this course, we would like to welcome 4 people within Ugitech: 2 people recruited externally but also 2 interns who would like to move into the maintenance field.

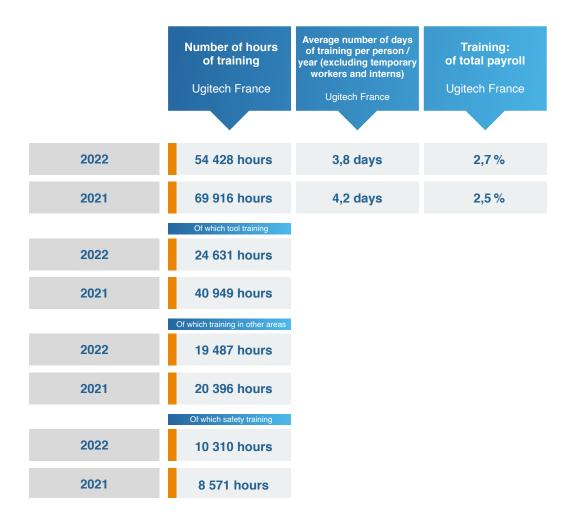
The 4 places available in the session are reserved for other people who will be recruited by other companies in our employment area and who wished to join this project. The training will start in February 2023. Our ambition is to repeat this type of training every year.

Machinist training course with the Fab'Academie

In 2022, AFPI Savoie launched a training center for adults in industry, based in Frontenex. The aim is to train people for jobs that are in short supply and that are particularly sought after by industries in the Maurienne and Tarentaise valleys. Ugitech is a partner of this school and contributes to its development through a grant. Thanks to the Fab'Academie, we can help one of our employees to improve his skills on a training course to fill a recruitment need for our company. We can also consider other training and subsequent recruitment for boilermaker jobs.

Future actions

- Deployment of HRIS access to all employees, including production staff.
- Implementation of E-learning in support of our experts.
- Continued certification of our internal trainers and development of an internal trainers' community.
- Setting up training courses for jobs in short supply.
- Deployment of the Managerial Culture approach.
- Continuation of the deployment of actions related to the Management of Jobs and Career Paths.
- Communication plan for the Internal School.



A long-lasting partnership with Colleges, High Schools and Universities

Definition of the issue

Ugitech, like industry in general, has a poor image, especially among young people. The challenge is clear: increase our attractiveness by promoting our business and our company and on the Ugine site but also on our regional sites.

Annual recurring objectives/KPIs

A regular level of school visits:

between 30 and 45 per year



Qualitative objectives

- To make our company and our professions known in order to encourage vocations among schoolchildren in the broadest sense
- Establish long-term partnerships with schools in our employment areas.

Existing actions

Thanks to the Ambassadors

The Ugitech Ambassadors Association has existed for 7 years. This association brings together about twenty young retirees from the company who wish to remain in touch with the working world. Their role is to represent Ugitech at various events in secondary schools and universities, but above all to respond favorably to requests to visit the Ugine industrial site. This allows us to open up our company more widely not only to schools, but also to economic and institutional associations...

The ambassadors, but also our employees, are also very present in the interventions in institutions:

- Creation of mini-companies at the college.
- Simulation of job interviews in high school and BTS classes.
- BTS and VAE jury.
- Presentation of companies and professions, interview simulation (project conducted with the region).
- Joint work on partnership projects between Ugitech and the city of Ugine.

The actions and visits of our ambassadors have been very strongly impacted by the pandemic and by the accident we experienced in early 2022.

To broaden the target audience:

We are now a partner of the C'Génial Foundation, which aims to promote technical professions to middle and high school students, mainly through 3 types of actions:

- Teachers in companies: company visits by teachers to help them communicate to young people about the reality of our professions and the interests they can find there.
- Engineers and Technicians in the Classroom: employees visit classes to talk about their jobs and encourage young people to become engineers.

As a potential recruiter

For the past few years, Ugitech has experienced a very strong hiring dynamic.

We regularly communicate that the company is recruiting.

Ugitech is a member of the Club Entreprises de l'Université Savoie Mont-Blanc. This gives the company real visibility among students and also, and above all, strengthens the links between Ugitech and the university world. In order to strengthen this link, we regularly participate in actions with these target schools: this is the case of the University Savoie Mont Blanc's business week where we were able to present our company to about 150 students of the courses we target thanks to our stand in the Business Village.

We were also present at the inauguration of the new technical facilities at the Lycée René Perrin in Ugine, the inauguration of a new technical machine at the Lycée Monge in Chambéry and the inauguration of the Fab'Académie in Frontenex.

Encouraged by the strong need for recruitment in the machining and boiler making trades and the low level of training available for adults wishing to retrain in the Maurienne and Tarentaise valleys, the ADOSIS association, in conjunction with the UIMM of Savoie, has created a training center in Frontenex to help companies in the region find qualified personnel to meet their needs. Ugitech has been a partner of the Fab'Academie since the fall of 2022, with one person being trained as a machinist.

Future actions

- Maintain the actions of the Ambassadors and reinforce these actions by the Recruitment and Employer Brand Manager.
- Deploy our school relations strategy by identifying all our actions throughout the year.
- Represent Ugitech at meetings with students: job presentations, career paths, forums, etc.
- Strengthen and consolidate initiatives taken at other sites: initiate partnerships with schools close to all our sites.

Performance monitoring

Number of visits Schools/High schools/Universities

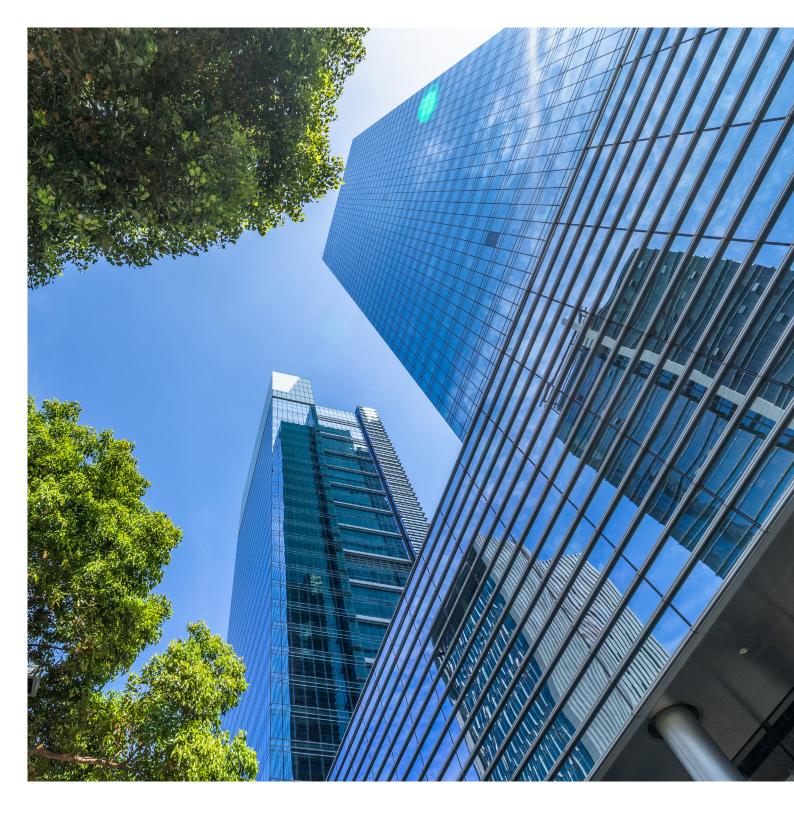
2022

2021

8

18





Business relations and territory

Employee engagement

Definition of the issue

Ugitech wishes to spread and maintain its values and corporate culture. In this context, a number of internal events are organized in order to foster a sense of belonging but also to sensitize our employees to new themes.

Annual recurring objectives/KPIs

A minimum of **5 events** per year.

Qualitative objectives

Maintain the spirit of cohesion within Ugitech.

Actions in 2022

The dramatic accident that Ugitech experienced in 2022 did not allow the organization of this type of event.

Performance monitoring

Number of internal events

2022

I 1

2021



However, the cohesion of the Ugitech team was very much in evidence during the complicated moments that the company and its teams went through after the accident. Whether it is through demonstrations of support for the family of their missing colleague, through involvement in finding and implement solutions in order to restart the activity or any other engaging action, Ugitech employees have stood together and supported each other.

Ugitech was nevertheless able to be present at the ODYSSEA charity race with 24 employees who ran under the company's colors.

On the regional side, Sprint Metal regularly organizes corporate events.

In 2022, a workshop was held in which each department presented the challenges it faces. This leads to a better understanding between departments. Exchanges between colleagues have allowed to find good solutions to some of the challenges, some of which have already been implemented. Other company events include end of the year, which allows our German site to close the year with a friendly meal.

Future actions

Normal business activity will not resume until mid-January 2023. We are giving ourselves time to plan and anticipate events, which is difficult at the moment.



Contributions to the territories

Definition of the issue

To promote Ugitech as a major player in the employment and economic basin.

Qualitative objectives

- To increase Ugitech's notoriety.
- Play a responsible societal role in our environment.



Annual recurring objectives/KPIs

A media presence **twice a month** on average.

At least one **project in partnership** with the city of Ugine per year.

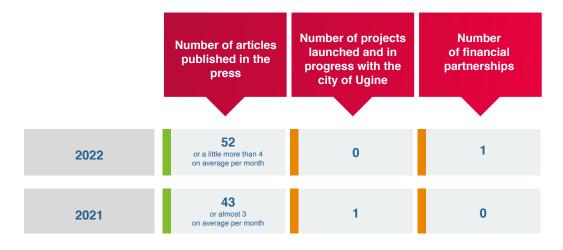
Due to the dramatic accident of January 3, 2022, we have not carried out any particular projects with the territory. Ugitech has built up good relationships with external stakeholders over the years who have been present and supportive of the company at this painful time.

Local engagement

Despite this, Ugitech entities maintain their local commitments through several networks in the various departments where Ugitech is present: Mécabourg, UIMM, AFPMA, local mission, etc.

In Germany, the contribution to the territory also goes through the plate!

Hot meal offers are being negotiated in order to to offer fresh, local food to staff on a daily basis. The food is prepared by regional suppliers and can be reheated as much as needed during the lunch break.



Ethics and internal control

Definition of the issue

- Fight against corruption, conflicts of interest and for free competition (antitrust).
- Protecting our assets, data and know-how.
- Respect good practices in terms of working conditions and the environment.
- Maintain our internal control system.

These issues are governed by laws that we cannot break under any circumstances. The consequences of violating these laws can be very serious, both financially and for our image. We must put in place the necessary procedures and organizations to avoid any risk of violation of these laws and train and inform our staff to take into account the good practices.

Our internal control system is a means of verifying that our internal procedures are followed. It reflects our commitment to detect potential failures. We must keep it alive and evolve as our business changes.

Annual recurring objectives/KPIs

Inform 100%

of the time of our staff on our code of conduct and provide it with the necessary means to alert on a

Our goal is to be free of corruption and obstruction of our staff to free competition.

Each year we aim to **validate** of our internal control system by an external audit firm.

Qualitative objectives

compliance failure.

- Ensuring the company's compliance with all regulations in force regarding corruption (SAPIN II law), antitrust or conflicts of interest.
- Protecting our assets, data and know-how.
- Strengthen a common perception and understanding of our values.

Our organization

Ugitech belongs to the Swiss Steel Group, a company listed on the Swiss stock exchange, which complies with Swiss reporting regulations.

This includes a few control organizations:

- the Ethics Steering Committee,
- internal audit via the Audit Committee,
- external audit,
- the ICS (internal control system).

Internal Audit reports to the Audit Committee to ensure the independence of the reporting process and the ICS is regularly reviewed by the internal and external audit teams. To reinforce the control, a line is in place to ensure the safety and freedom of reporting of all employees and third parties, in order to report any violations of the Code of Conduct, which includes all the principles of the UN Global Compact and the OECD guidelines.

The Swiss Steel Group has Compliance Department within its organization that serves all Group entities. This department focuses on the prevention of any breach of applicable laws and regulations in terms of ethics. The main task of Compliance is to implement a Compliance Management System that complies with the company's requirements in relation to its environment and to deploy it in all its subsidiaries.

In each entity the CEO is specifically responsible for compliance. He is supported by a Compliance Officer whom he has appointed within his scope of action. Together, they bring to the Department Group Compliance the necessary support for implementation of the Compliance program. They provide local expertise in the creation and adaptation of internal guidelines.

Information and working meetings are organized every quarter between the Group Compliance Department and the local Compliance Officers, and between the Group Compliance Department and Ugitech's General Management.

The following measures have been implemented:

The Code of Conduct

It sets out the standards expected internally and from our supply chain to ensure compliance with local and international laws and human rights within the group and our supply chain: child labor, forced labor, rights of association, discrimination (gender, political, religious), health and safety conditions work. It also deals with the management of conflicts of interest, the prevention of corruption (bribes, gifts, hospitality, sponsorship, donations, etc.), violations of antitrust law and also environmental aspects.

Distributed in 2015, the code was updated in 2017. This document, easily accessible to all staff, has been integrated into the internal regulations that each employee must sign upon hiring.

An update of the Code of Conduct is planned in 2023. Since 2019 a specific Code of Conduct for suppliers has been put in place. Strategic suppliers are asked to commit to it.



Internal policies on anti-corruption, fair competition and professional associations

These are documents that explain our internal guidelines and contain practical examples, checklists and explanatory notes on anti-corruption and anti-trust behavior. These guidelines also detail the sanctions and actions to be taken if violations of our Compliance rules are reported.

They can be accessed via the Swiss Steel Group intranet site.

Our anti-corruption policy is currently being updated and will be rolled out in early 2023.

The highlights of the Code of Conduct, antitrust, anti-bribery and data protection have been combined in a brochure. Since 2019, «Compliance at a glance» can be viewed by our employees from our intranet site.

The Compliance Charter

It describes the principles upon which the Chief Compliance Officer acts. It was updated in 2020 to clarify the role of each, clarify the scope of its application and rename it the «Compliance Organization Directive»

On-site and e-learning Compliance Training

Since 2015, and in collaboration with the Swiss Steel Group, Ugitech has been conducting actions to train its employees regarding:

- anti-corruption rules,
- antitrust rules.
- the Code of Conduct.

These trainings combine learning and exploration of concrete cases. In 2021, six training modules have been deployed in e-learning to all relevant employees:

- Code of conduct.
- Anti-corruption.
- Anti-trust.
- Data protection.
- Fight against money laundering.
- Commercial compliance.

In 2022, and as every year, all new employees (depending on their function) will follow these 6 e-learning training modules..

Data protection

In 2022, we pursued an in-depth study on data protection (RGPD) in collaboration with the Group. After identifying and describing the processes affected by this regulation, procedures have been put in place and internal communications have been carried out. Other actions are being deployed and will continue in 2023, such as the mapping of data risks.

An internal alert system

Swiss Steel Group has provided a means for all Ugitech personnel since 2015 to submit information regarding a violation of our Compliance rules. Employees and third parties of the company (customers, suppliers or others) can use this professional alert system accessible free of charge, 24/24, 7/7, 365 days/year.

Speak-Up Line (internet and telephone service)

This system allows any employee or third party to report criminal acts through a highly secure process:

- informants call a hotline,
- they leave a message on an answering machine, or transmit written information via e-mail, in their native language,
- Informants may or may not remain anonymous, depending on their choice.

A new whistleblower policy was rolled out in 2022. It is freely available on the intranet. It recalls the role of the whistleblower and his protection,

as well as that the procedure to be followed to launch an alert. Ethics and internal control 84 The Group's policy on whistleblowing and its protection, as well as the procedure to follow in order to launch a whistleblower. A large internal communication campaign (message from the Group CEO to all employees, posters) was launched to deploy it and to remind people of the means available to launch an alert, in particular through the speakup line.

Furthermore, Ugitech is concerned by the anti-corruption aspect of the Sapin 2 law, which provides for the implementation of eight measures to prevent and detect corruption:

- **1.** Code of Conduct, integrated into the internal regulations;
- Internal alert system designed to enable the collection of reports from employees;
- Mapping of corruption risks by sector of activity and geographical area in which the company operates;
- Procedures for assessing the situation of clients, first-tier suppliers and intermediaries with regard to risk mapping;
- Accounting control procedures, internal or external, designed to ensure that books, records and accounts are not used to conceal corruption or fraud influence peddling;
- **6.** A training program for the most exposed managers and staff;
- 7. Disciplinary system for disciplining company employees for violations of the company's Code of Conduct;
- **8.** Internal monitoring and evaluation of the measures implemented.

An in-depth study of our compliance with the SAPIN II Act was conducted in 2019 by a specialized service provider. The conclusions of this study led to a very favorable finding with regard to our measures to combat corruption. A working group bringing together all the Compliance Officers of the SSG Group concerned by this law has been set up

and piloted by the Compliance Department of the Group. Improvement actions have been defined according to a deployment program.

In 2022 the mapping of compliance risks (including corruption) in a common format with the group was carried out.

Our Internal Control System

Since Swiss Steel Group is listed on the Swiss stock exchange, each of its subsidiaries must provide annual proof of the existence of an internal control system.

Work on the Internal Control System (ICS) began in 2006. Since 2008, it has been updated every year and, since 2019, has been integrated into the general risk map.

This system is broken down into as many processes as previously defined in the process map.

Each process is thus composed of a matrix of controls internal. They consist of a list of potential risks with respect to the ICS. The analysis of these risks is carried out in collaboration with each process manager, at the same time as the analysis of the general risk map.

For each risk, one or more controls are identified. They are also referenced.

Each control is described in a specific sheet and a list of supporting documents is drawn up. In all, 72 internal controls are referenced in Ugitech's ICS.

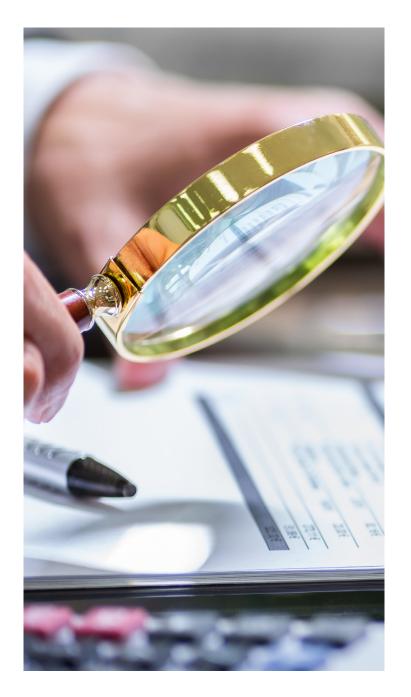
Every year since 2008, Ugitech's ICS has been updated in its entirety (100% of internal controls). Internally, each of the managers updates the descriptive sheets for their area. In all cases, 100% of the evidence documentation dated for the current year is collected.

In 2022, the SSG Group has made available to all its subsidiaries an IT tool to standardize this system. A new matrix of internal controls has been proposed with a description of the good practices for each of them. This evolution has allowed us to The new framework allowed us to review our ICS in depth and to confirm our good fit with our Group. Further developments may take place next year as we continue our analysis of this new framework.

The external audit firm, EY & Associés, audits Ugitech's ICS annually: it verifies its existence within the company, on the basis of the annual update carried out internally. Specific control points are also carried out by EY & Associés with the business managers.

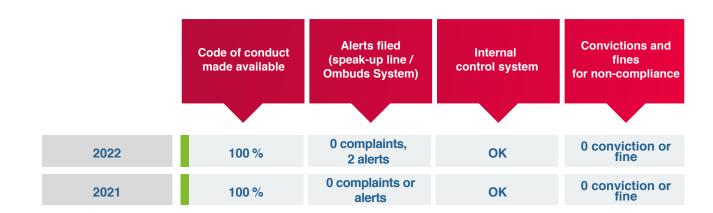
At the end of this review, he is able to validate or not the existence of the CSI.

The existence of Ugitech's internal control system was validated in 2022 by an external audit firm as it has been every year since its creation in 2008.



Future actions

- Pursue additional actions with regard to corruption (SAPIN II law). Communicate on a new anti-corruption policy.
- Continue to verify the correct application of the General Data Protection Regulation (GDPR). Implement corrective actions and continue communications on this subject.
- Continue to make compliance and ethics documentation available for better information sharing.
- Train and inform our sales people on a regular basis on the rules and conduct to be followed with our business partners.
- E-learning training on ethics, anticorruption, antitrust, data protection and other compliance topics.
- Update and communicate our code of conduct.
- Continue the in-depth analysis of our Internal Control System based on the Group's new framework.



Responsible purchasing

Definition of the issue

The challenge of responsible purchasing is to:

- Reducing our environmental footprint;
- Developing circular economies;
- Amplify relationships with our local partners;
- Accompany our suppliers towards excellence and make them adhere to our ethical values.

The criteria of Deadline, Full Cost, Quality, Risk and Sustainable Development are systematically taken into account.

Qualitative objectives

In our responsible purchasing approach, in addition to the standard qualitative and financial criteria, we strive to reduce our environmental footprint through:

- The use of proximity;
- A priority à purchasing of products products, delivery by rail and/ or in bulk;
- The recycling and doping of our residues for a reintegration in our process;
- Taking into account the carbon footprint in some of our consultations (especially raw materials).

Existing actions

Our role is also to promote the Group's ethical rules by having our suppliers adhere to our code of conduct and our specifications, which include CSR issues.

We pay particular attention to compliance with the standards and regulations in force (conflict minerals, REACH, MSDS, safety protocol, prevention plan, etc.) in order to guarantee the safety of all.

The supplier relationship plays a major role in the company's major financial and strategic issues. It is essential because of its implication in quality results and respect of deadlines. A lasting relationship with the supplier leads to the creation of a competitive advantage and allows in particular:

- To anticipate and adapt quickly to events that may disrupt our environment. Following the accident of January 3rd, communication was a key element with our partners, for a case by case adaptation.
- To keep the link with our partners and with the markets.
- To redirect the flow of our suppliers to other entities of the group or even to our competitors in solidarity.
- To maintain a strong solidarity with our different partners allowing a reversal of the roles of buyer/supplier. For example, the resale of our internal scraps to our usual suppliers to maintain the activity of our downstream workshops.

Our partnership for the revalorization and doping of our waste has been renewed within the framework of a multi-year contract. There is still room for improvement in order to broaden the scope of waste to be recycled. Doping is carried out using other waste materials in compliance with regulations. This approach allows us to increase the nickel and molybdenum content and thus boost the burial of our revalorized residues.

A larger project is currently being studied. It will consist in considerably increasing our rate of loading of recycled material while reducing our dependence on mining operators.

Energy saving Energy saving actions have been carried out with the Technical Department, such as heat recovery and the installation of variable speed drives.

Several actions to purchase certified green energy were carried out during the year 2022.

A partnership has been launched with a platform that allows us to manage and control the risk related to third parties. This platform stores and controls the regulatory documents, alerts the client and reminds the supplier if necessary (particularly concerning economic dependence or the monitoring of concealed work).

We have redesigned and intensified our supplier risk assessments and analyses to include Corporate Social Responsibility issues.

All employees are trained in the concepts of corruption and compliance throughout the Group (see chapter on Ethics and Internal Control).

Ugitech is developing a partnership with its strategic suppliers with the aim of developing a continuous improvement approach and creating mutual value. This approach is initiated in particular with our strategic suppliers and is defined by the implementation and monitoring of quality assessments, audits and annual evaluations.

We could quote in this context:

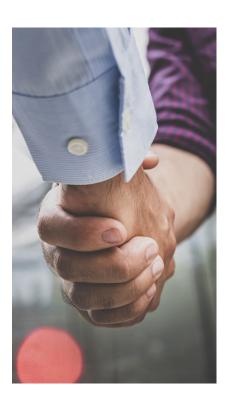
- The partnership with Fenwick for the study of a hydrogen powered forklift truck.
- The handling of our cars with Captrain and the opportunities of hydrogen traction.
- The partnership with Engie Cofely for the monitoring and reduction of polluting refrigerants as well as the reduction of our consumption for heating and air conditioning.
- The partnership with HARSCO for bricklaying and dairy management.

Our ambition for the coming years is to continue to renew our service contracts while including notions of progress related to CSR.

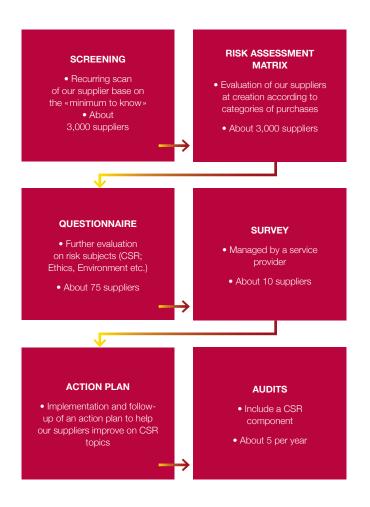
Future actions

In addition to the existing actions above, which continue, we aim to expand our approach along four lines:

- Develop the purchase of recycled products by partnership with our customers.
- Optimize the audit process by emphasizing the CSR part.
- Develop a rating system for social and environmental performance.
- Systematize the carbon footprint in our consultation criteria.



To go further, a process that consists of obtaining better information on the Corporate Social Responsibility (CSR) of our suppliers is currently being developed (for implementation in 2023). The aim of this project is to use external expertise (such as a paid database) to gather the right information at the right time, i.e. before any transaction, and thus to strengthen the risk management of our third parties. We are in the process of setting up a CSR risk assessment process for our suppliers at the Swiss Steel Group level:



Performance monitoring

Use of bulk packaging (raw material, scrap metal)

2022

98%

2021

199,1%

% of maintenance purchases made with local service providers (departments bordering on Savoie)

2022

177%

2021

81%

Taxation

Legal structure, Tax compliance, Fight against fraud

Legal structure

Ugitech SA is a limited company established in France with its head office in Ugine (73).

Organization & tax legislation

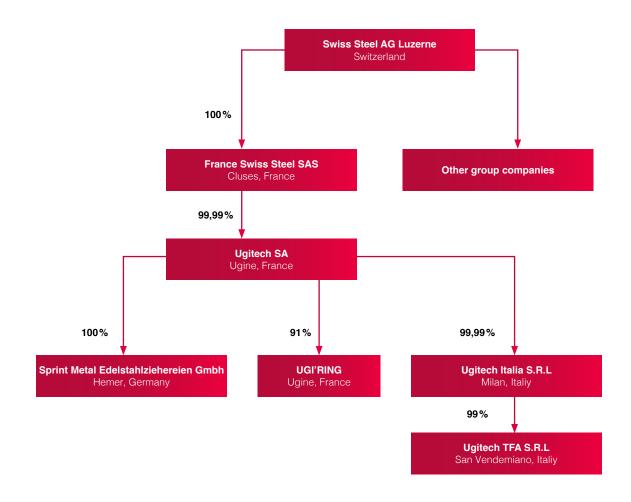
Ugitech SA does not have any branches or subsidiaries operating in countries with privileged tax status.

Ugitech SA does not carry out any foreign operations that would fall under the the concept of permanent establishments within the meaning of the conventions or the applicable criteria defining a permanent establishment in the absence of a convention.

Information system & internal control

All accounting is recorded through the SAP software package.

This organization of the Information System, together with internal control, ensures perfect consistency and integrity of data from the various modules of our SAP system (purchasing, sales, production, etc.).



Tax rules are updated, among other things, via the editor's monitoring and maintenance systems, which provide support documentation for legal changes to the information system. The dedicated internal FI-CO department handles the development needs expressed by the Accounting and Tax department.

The Accounting and Tax department ensures that the rules implemented in the information system are compliant and validates changes through functional tests.

Automated controls during invoice registration reduce the risk of fraud through the amount and quantity limits managed by the system.

Approximately 95% of supplier invoices are reconciled with purchase orders recorded in the system.

For the remaining 5%, the invoice must be expressly validated by the head of the sector concerned, in accordance with the delegations of authorization implemented.

Internal control ensures compliance with applicable tax legislation and the protection of the data and their archiving.

In support of the existing software package, specialized software is also used to meet regulatory requirements: tax returns and fixed asset management.

Actions taken during the year:

Dematerialization of supplier invoices.

Future actions:

Preparation of electronic invoicing.

Computerised accounting

Methods of presentation of computerised accounting: Article L. 47 A-I of the Book of Tax Procedures (LPF) provides that taxpayers who keep their accounts using computerised systems must present them in the form of dematerialised files during an audit by the tax authorities.

This accounting entry file must meet codified standards.

Existing actions:

- FEC Compliance During each fiscal year Ugitech SA ensures compliance with the standards published through the tool provided by the DGFIP.

Accounting and tax organization: internal control

The Accounting and Tax Department is organized around five main areas that cover all legal and tax obligations relating to Ugitech SA's business, all of its subsidiaries and all of its subsidiaries. French sites, and reporting under IFRS.

The accounting department is assisted by external consultants as needed.

Organization to comply with current legislation:

The department ensures that the company and its employees act in compliance with the tax laws of the countries in which the company operates and fulfills its tax reporting and payment obligations in a timely manner.

The process is as follows:

- Each subsidiary is responsible for preparing tax returns in accordance with local regulations.
- Each subsidiary is responsible for paying its own taxes within the time limits set by the legislator.
- In intra-group relationships, the accounting departments of each subsidiary coordinate their actions in accordance with the rules governing intra-group relations and local obligations.
- During the monthly group reporting process, prior to consolidation, an analysis is carried out on the amount of corporate income tax and on the deferred taxes.

Training & Expertise:

Each employee is an accounting and tax professional from the following educational backgrounds accounting. Specific internal and/or external training is provided to ensure that employees' knowledge is kept up to date and that they are versatile.

Annual Training Plan:

- VAT training: refresher course;
- Training information: Law Finance Act;
- Regulatory monitoring through reference publications: RF, Éditions F. Lefebvre.

Audit & control of accounts

Scope of Work:

For the certification of accounts:

- The audit of the annual accounts established in accordance with French accounting rules and principles;
- Additional due diligence on the accounts transmitted to the parent company, Swiss Steel AG, for the preparation of its consolidated accounts and the communication to its auditor of the information necessary for the performance of its mission on the consolidated accounts.

The letter of representation signed by the CEO and CFO commits and attests to the quality and completeness of the information provided to the auditors. In particular on fraud and compliance issues.

State - local authorities and taxation

Ugitech SA and its production facilities based in France (Ugine, Imphy, Bourg-en-Bresse, Brionne, Saint-Étienne, Grigny) contribute through the Contribution Économique Territoriale (CET), the Contribution Foncière des Entreprises (CFE) and the Taxe Foncière (TF) to the development of all the local authorities to which they are attached through their establishment.

The company is liable for corporate income tax (IS) in France and is attached to the General Directorate for Large Companies (DGE) of the General Directorate of Public Finances (DGFIP) based in Pantin.

Ugitech SA ensures that it complies with the tax laws of the countries in which it operates and fulfils its tax declaration and payment obligations within the required timeframe.

Subsidiaries comply with local tax laws.

The significant research and development expenses incurred by Ugitech SA benefit, for eligible expenses, from the CIR (Research Tax Credit). The CIR perimeter is managed by a cross-functional team from the Finance Department and the Research Department.

Tax integration

Ugitech SA has been integrated for tax purposes with its parent company, Swiss Steel France S.A.S., headquartered in Cluses (74) since 2007.

International Activities - Transfer Pricing: Compliance

Ugitech SA and its subsidiaries are mainly active outside France, partly through the Swiss Steel Group's distribution network.

In this context, compliance with international rules in setting transfer prices between affiliated companies is a response to the potential risk of profit transfer from one country to another.

In compliance with international regulatory obligations and recommendations resulting from the work of the OECD, and in accordance with French legislation, Ugitech SA has been preparing documentation in accordance with the OECD Principles since 2010.

Existing actions:

Since 2010, Ugitech SA has been preparing documentation in accordance with the transfer pricing documentation requirement. Since 2013, Ugitech SA has complied with the simplified reporting obligation implemented by French legislation.

Ugitech SA, as a subsidiary of the Swiss Steel Group, prepares a specific declaration on a country-by-country basis, in response to a recommendation resulting from the work on «country-by-country reporting».

Transfer prices are reviewed as part of the internal control system implemented by the company.

Future action:

- Update of the documentation supporting the transfer prices for the year ended.



Value Added Tax

VAT identification

Article 214 a) of Council Directive 2006/112/EC of November 28, 2006 provides that Member States shall take the necessary measures to ensure that any taxable person, with the exception of those referred to in Article 9(2), who, within their respective territories, supplies goods or services giving rise to a right of deduction, other than supplies of goods or services for which VAT is payable solely by the customer or the recipient in accordance with Articles 194 to 197 and Article 199, is identified by means of an individual number.

Ugitech SA carries out a monthly control of all its operations by cross-checking the VAT collected and the turnover.

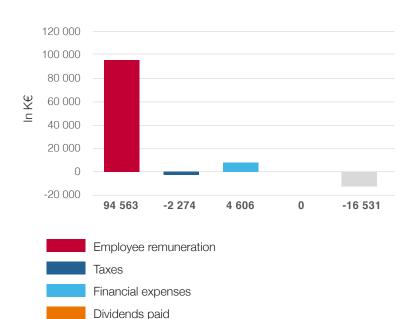
Existing actions:

- Ugitech SA is identified for VAT purposes in France.
- Ugitech SA is registered for VAT in Germany.
- Ugitech SA is registered for VAT in Italy.
- Cross-checking of VAT returns and DEBs.
- Monthly VAT return and reconciliation with the turnover.
- VIES test of the VAT identification numbers of Ugitech SA suppliers.
- VIES test of the VAT identification numbers of Ugitech SA's customers.

Future action:

- Implementation of electronic invoicing.

Breakdown of value added by item



Share retained for growth

Tax compliance

Because it is attached to the DGE, accounting audits are the responsibility of the Department of National and International Audits (DVNI).

The latest accounting audit confirmed Ugitech SA's tax compliance.

Customs & compliance dual use goods

Ugitech SA has been an Authorized Economic Operator (AEO) since 2014 and handles its import customs clearance operations in-house.

Since 2017, the company has benefited from the Community Centralized Customs Clearance procedure allowing it to carry out import or export operations in several European Union member states, while centralizing its customs formalities in France.

This label and this authorization, for Ugitech, demonstrate that our reliability (control of our customs processes, compliance, safety/security aspect of the sites...) with French customs administrations.

Regarding dual-use goods: We do not sell or buy dual-use goods in the countries listed.

In case of doubt, the company will contact the SBDU (Customs Department) for validation.

Ugitech SA

France
Avenue Paul Girod CS90100
73403 UGINE Cedex
Tel.: + 33 (0)4 7989-3030

www.ugitech.com