



Ugitech Europe

Extra Financial Performance Statement

2023 Report



Contents

Introduction	3
Ugitech, a Swiss Steel Group subsidiary	4
About Ugitech	6
Our risk management	8
Societal risks mapping extract	10
Our CSR policy	12
2023 key indicators	18
Ecoresponsibility	19
Sustainability of natural resources: sustainable products and markets - circular economy	
Energy and climate	
Responsible logistics	
Protection of the local environment	
Social development & quality of life at work	46
Health, safety and working conditions	
Attractiveness and equal opportunities	
Youth policy and long-lasting school partnerships	
Social dialogue	
Skills development and training access	
Business relations & territory	78
Employee commitment	
Local communities' contribution	
Ethics and internal control	
Responsible purchasing	
Taxation	



Despite the doubts, more than ever together, for a future that matters!

Ugitech is still reeling from two accidents that have claimed the lives of two colleagues in the last two years. In parallel with these tragedies, the global economic situation has deteriorated against a backdrop of geopolitical instability and inflation in Europe, which is impacting the competitiveness of European producers, of which we are a part.

Despite the doubts and difficulties, we continue to move forward as a team, with unflinching solidarity and commitment at all times. In 2023, we have continued to adapt. We have taken targeted action to maintain our fundamentals and continue to improve health and safety for all. For this, I would like to thank all our employees and the other Ugitech stakeholders who are committed to working alongside us.

The excellence of our company is based on the exceptional diversity of talents and skills contributed by each and every one of the men and women who make it up. Together, we form a strong and inspiring team, ready to take on any challenge with passion and determination. We are fortunate to be able to produce a material that guarantees the sustainability required for a wide range of solutions to social challenges.

We have initiated and launched a number of government-recognized and subsidized projects that will enable us to limit our ecological footprint and differentiate ourselves by providing sustainable solutions for our customers, in a safe, ethical and fair operating model.

The following document highlights all our initiatives and illustrates Ugitech's commitment to social responsibility in support of a sustainable world.

Raphaël Rey

Chief Operating Officer, Ugitech production units Chief Executive Officer, Ugitech SA

Ugitech, a Swiss Steel Group subsidiary

Today, Swiss Steel Group is one of the world's leading suppliers of customized solutions for long products in special steels. The Group is one of the world's leading manufacturers of tool steels and long stainless steels, and one of Europe's largest suppliers of 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 its customers with global sourcing and support, and offers them a complete portfolio of products and services worldwide.

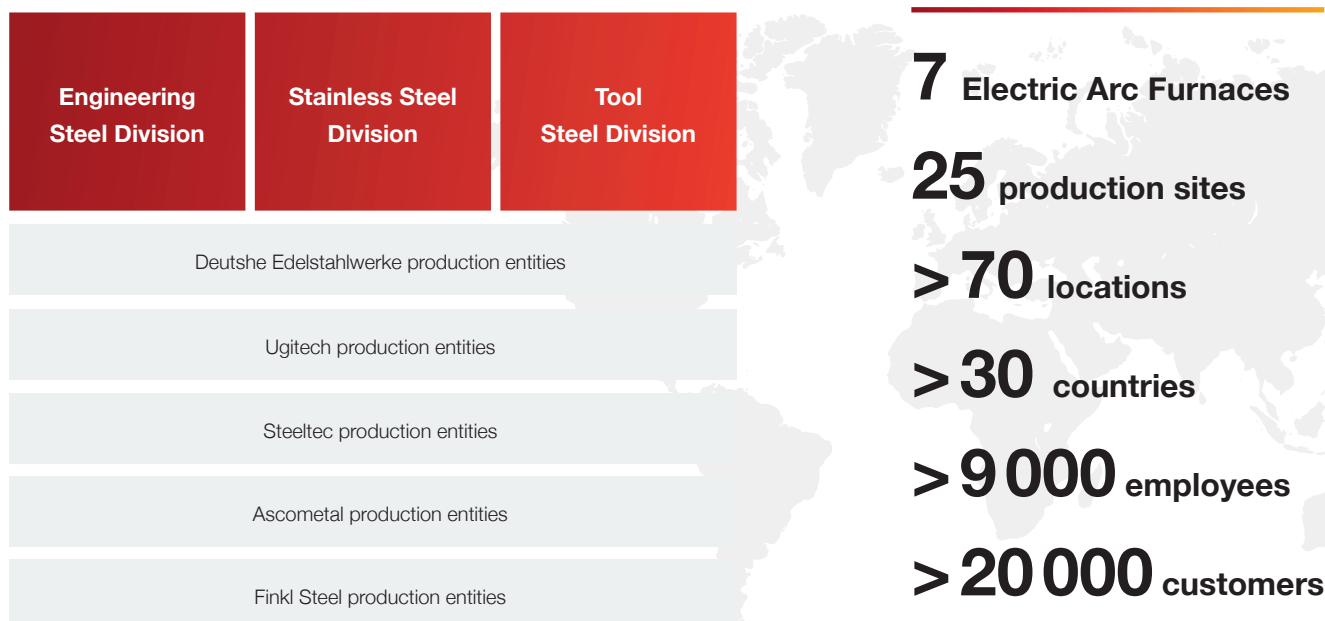
One interlocutor. One voice. One brand.

In September 2022, Swiss Steel Group embarked on a change process to stabilize and strengthen its activities in order to grow, to improve the effectiveness and efficiency of its processes and, above all, to better serve its customers.

We're consolidating our activities for a more comprehensive and robust 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 access to the Group's entire production network. Our customers thus benefit from greater clarity on our product portfolio, access to the Group's entire offering, combined innovative power and even greater reliability in terms of production, quality and delivery.



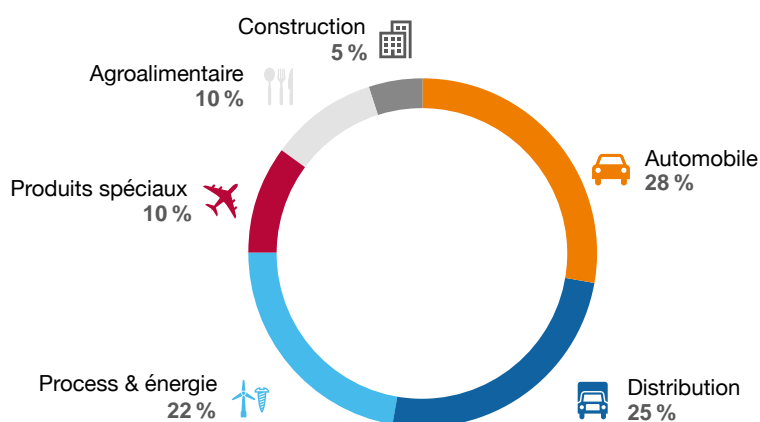
Ugitech, serving the Stainless Steel Division

Ugitech is one of the world's leading manufacturers of long stainless steel 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 wire-drawing mills.

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

With over 110 years' experience in steel manufacturing and ongoing research in the field of metallurgy, the company guarantees optimum steel solutions for the demanding applications of its customers in the automotive, construction and process industries, as well as the aerospace, nuclear and medical sectors.



Together. For a better future that matters.

Recurring annual
targets / KPIs

125 kt produced

1 694 employees

601 M€ revenues



Our vision

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

- develop **customer intimacy**,
- promote **employee fulfillment**,
- meeting the challenges and **integrating the societal issues** of tomorrow's world in its ecosystem,
- be **profitable and create value** in the long term.

2023

125 kt produced

Our strategic priorities



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



Innovating for our customers through collective intelligence

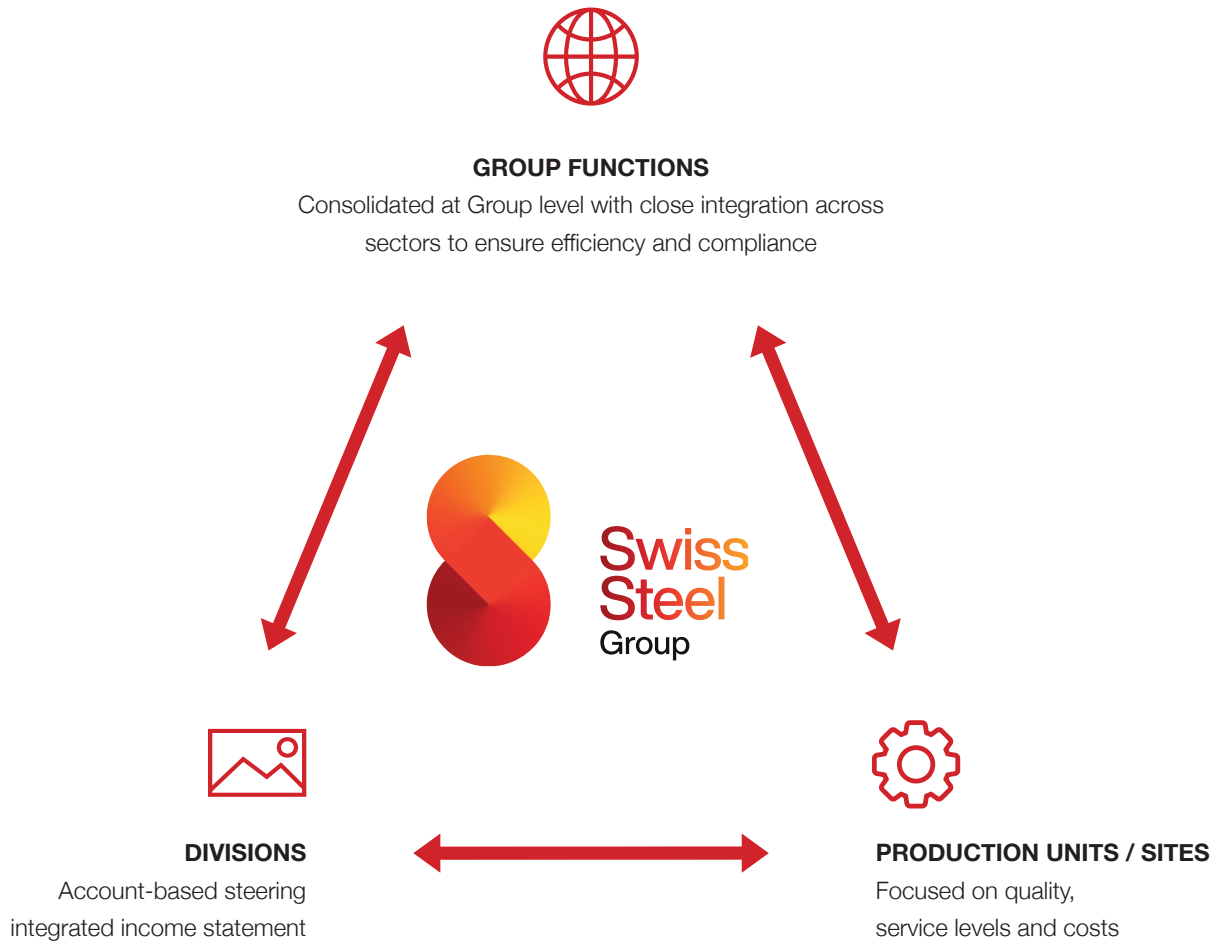


Ensuring **competitive advantage** permanent



Accelerating our **digital transformation**

Business model: a new Swiss Steel Group business model



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

Swiss Steel Group's commitment

An SBTi commitment

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

Aligned with SBTi's 1.5°C decarbonization sector guideline, Swiss Steel Group will develop targets and have them validated by SBTi in a next step. Working closely with the Group's technology team, we have already created a decarbonization roadmap that will be implemented over the coming years.

Ugitech is integrated and involved in the deployment of actions linked to this roadmap.

A dual materiality analysis

In order to align our sustainability strategy with stakeholder expectations and in anticipation of future regulatory requirements, we carried out a double materiality analysis at 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 in relation to the topics (inside-out).

The 2022 materiality analysis was carried out in three stages, namely the identification of potentially important 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 ESG (Environmental, Social and Governance) risks and opportunities.

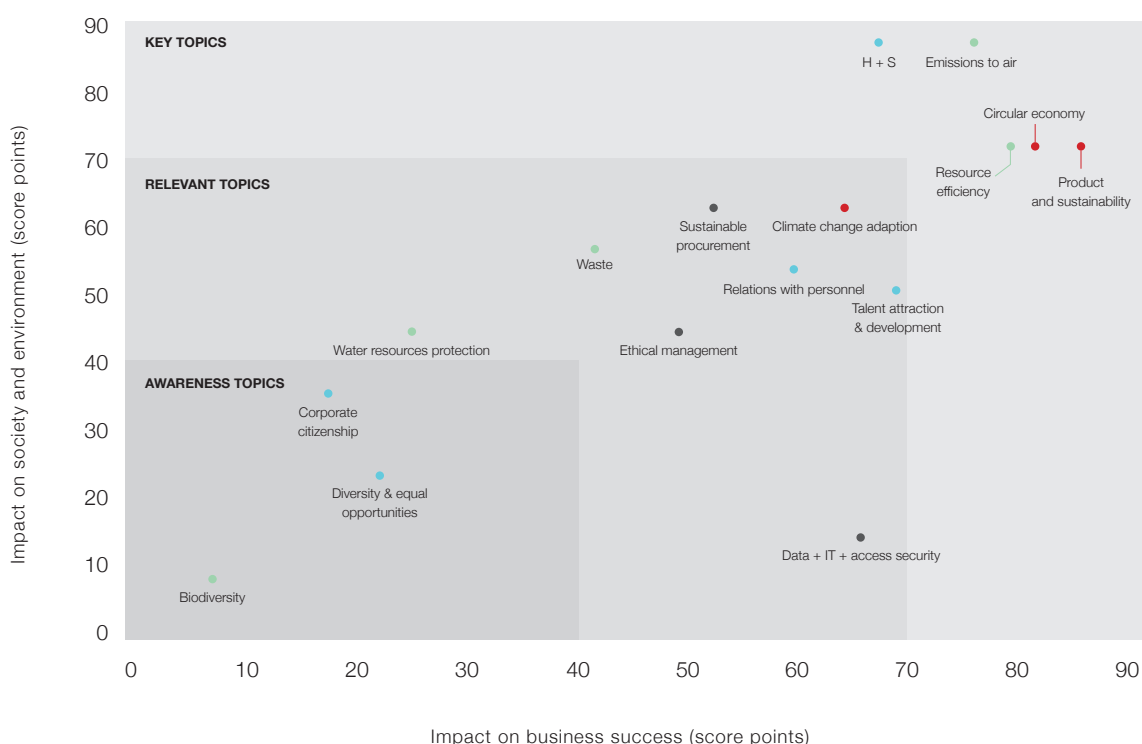
When identifying sustainability topics, we took into account all the dimensions of sustainability in a holistic way, i.e., economic, environmental, social and governance aspects.

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

Ugitech will also be integrated and will share this analysis for a more appropriate risk mapping.

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

Swiss Steel Group materiality matrix



Our risk management

Risk management is an important topic in our economy, and one of the central aspects of our concerns. As an integral part of Group policy, risk management is one of the components of corporate strategy. It helps to inform budgetary choices.

Swiss Steel Group brings its Risk Management approach to life through a dedicated organization. A specialized team and a Group Risk Manager are tasked with improving the risk resilience of the Group and its subsidiaries and are involved in operations and decision-making throughout the organization. They support the Group's ability to achieve its operational and strategic objectives. They report functionally to the Group Audit Committee and Group Management. The roles of each have been formalized in a Charter.

Ugitech works on its risks by process

and more generally 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 line with strategic priorities, challenges and objectives. It is carried out by each Process Manager and includes:

- a SWOT (Strength, Weaknesses, Opportunities, Threats) analysis of "strategic" risks in relation to the challenges and objectives at stake,
- an analysis of operational risks concerning the tasks to be carried out by sub-process.

This results in the 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 to draw up a risk map. They integrate potential hazards and action plans drawn from process analyses. He prioritizes them by means of a rating (FMEA type) and monitors the progress of action plans.

An extract of this map, comprising strategic, operational, reporting and compliance risks, is also updated twice a year with the Group's support, and is supplemented by a quantified estimate of the impact of each risk.

This work gives us an overall view of the company's main potential risks and enables us to monitor action plans aimed at controlling or reducing these risks, particularly those related to our corporate social responsibility.

In 2023, risk mapping was updated as part of the annual review.

In addition to these risk analyses, quality, environmental and energy management systems require detailed risk analyses of production operations and the entire value chain.

All our production sites are analyzed to identify the most significant potential impacts, which feed into the mapping of strategic risks.

Societal risks mapping extract

Risk mapping highlights our Corporate Social Responsibility concerns in areas such as ethics, the environment and our resources, regulatory compliance, social dialogue, partnerships, etc.

In all processes, CSR risks are identified individually.

The table below is an extract from our company's main societal risks.

Danger/Opportunity (SWOT)

Description	Impact description	Project
<p>Risk of fatal workplace accident. Serious injuries caused by lack of safety in the tool area (measures to be implemented for each type of machine). Machine conformity. Serious injuries linked to transport risks: pedestrian and forklift. Compliance with local regulations to provide a suitable working environment for employees working at height. Confined spaces: access to restricted workspaces and potentially hazardous atmospheres.</p>	<p>Civil and criminal penalties (compensation). Company image/employer brand. Impact on staff. Court-ordered production stoppage. Increase in occupational health and safety contributions.</p>	<p>Safety strategy with multi-year action plan for compliance... Focus of safety strategy. Confined spaces: working group underway to ensure compliance and appropriate training. Update and revision of the DUER (Risk Evaluation Unique Document).</p>
<p>Lack of resources water, electricity, ...</p>	<p>Production interruption due to a shortage of natural resources.</p>	<p>Water-saving working group: assessment of all water-saving opportunities and their implementation. All prevention initiatives.</p>
<p>Climate change.</p>	<p>Increase in extreme events (drought, storms, hail, etc.). Projects to adapt our industry to water shortages, or risks of material damage (roofing, etc.).</p>	<p>Specialized risk analysis on climate change with construction of an action plan.</p>
<p>Serious environmental incident (discharge of polluted water, leakage of hazardous products into the ground, toxic cloud).</p>	<p>Pollution and shutdowns, damage to Ugitech's image (discharge of water contaminated by plant dust into the environment, soil pollution, etc.).</p>	<p>Rainwater treatment project in the 2026 investment plan. Improved treatment of certain discharges at Ugine (2022-2024). Complete site retention systems.</p>
<p>Risk of litigation and illness due to exposure to chemical substances (Chromium and Cobalt).</p>	<p>Assessment based on treatment costs for serious illnesses (cancer).</p>	<p>Follow-up on current initiatives.</p>
<p>Rising prices for high-value raw materials, poor balance between high-value and discounted raw materials.</p>	<p>Return of non-recyclable internal scraps - Process impact: non-analysis rate. Impact on the CSR rate of recycled raw materials. Increased risk on residual elements.</p>	<p>Optimization and diversification of supply sources. Continued technical investment to improve workshop sorting. Customer scrap recovery. Metal doping, residue treatment.</p>
<p>"Dusty" / negative image of the steel industry. Degradation of external relations (local residents, journalists, institutions).</p>	<p>Degraded employer brand, lack of appeal. Bad image.</p>	<p>Intensify the corporate communication plan. Communication plan in place and regular relations with local residents and the DREAL.</p>

Increased transport costs in the medium term (diesel, carbon tax, etc.).	Price increases.	Development of intermodal flows.
Employer brand damaged and discredited by accidental events 2022 and 2023. Loss of pride in belonging.	Degradation of pride of belonging and commitment. Difficulties in attracting new recruits, unfilled positions. Resignation rate on the rise. Conveying a poor corporate image through disengaged staff. Not enough expression of pride staff to work for Ugitech.	In-house school. Employer branding project. Communicate regularly on positive aspects. Recruitment action plan. Study to understand and improve QWL as a strategic project (Working Conditions Survey, etc.). Inaugurations, newsletters, internal events, meetings in the field...
Damage to the company's image and reputation if fundamental rights and regulations are not respected.	Stakeholder expectations (decline in stock market listing), recruitment difficulties, decline in customer/supplier confidence / administration and political organizations / poor media communication.	Deployment of compliance procedures / online training. Raising awareness of non-discrimination and harassment in the workplace. Anti-discriminatory recruitment policy based solely on candidates' skills: French law. Discrimination alert procedure Setting up a company agreement on equality between men and women, the disability and hardship.
Use products from a disrespectful company.	Engaging with a third party who does not respect compliance rules and who does not correspond to our corporate culture.	Due diligence program (Navex). Supplier code of conduct. Purchasing policy.
Compliance management: corruption / cartel / conflict of interest / ... Fraud, cybercrime. Dissemination of personal or other inappropriate data.	Impact on purchasing / sales process Generate financial losses, reputation, penalties / fines.	In-house and group e-learning, video and face-to-face training. Communications and awareness-raising. Speak-up alert system. Internal control system (ICS). Compliance and GDPR risk analysis. Procedures in place.
Supplier disengagement vis-à-vis rail transport / Lack of rail transport.	CSR impact + transport costs (truck vs railcar).	Freight agreement: Ugitech / Savoie / SNCF. Sourcing new sources of supply France + border countries. Development of multimodal transport (rail/road) and intermodal flows.
Weak HR and managerial leadership versus strong union leadership.	Greater union power / more punitive strikes.	Managerial culture project. Social relations action plan (including work on social dialogue).
Lack of expertise, loss of know-how.	Poor product performance and/or quality problems.	Skills assessment, training plan, recruitment plan, succession plan.
"Green washing": announcing commitments / green perspectives that are not concretely reflected in the improvement of our CSR indicators (e.g. deterioration of CO ₂ emissions from scope 3 for reasons of economic competitiveness).	Fines/penalties for accusations of "green washing". Deteriorating public image.	Implementation of a system to measure our CSR results (DNV audits) for the CO ₂ section. Case-by-case arbitration of decisions in collaboration with Corporate. 2022 capex = €19.3M of which €200k in green projects, i.e., 1%. 2023 capex = €21.1M of which €2.1M in green projects, i.e., 10%. The green projects correspond to those in the taxonomy.
Personal safety in the event of a terrorist attack (excluding cyber-attacks).	Danger to life and limb.	Analysis of terrorist attack. Improve control of incoming trucks. Continued upgrading of video surveillance equipment.

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

Our CSR policy

Based on:

- the 4 pillars of our strategy
- our business model
- of our dynamic risk management
- of our customers' requests increasingly sensitive to this issue
- from the Ecovadis assessment organization, with which we have a review at the end of 2022

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

ECORESPONSIBILITY

- ① Sustainability of natural resources : sustainable products and markets - circular economy
- ① Energy and Climate
- ☆ Responsible logistics
- ① Protecting 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
- ☆ Partnerships with secondary schools and universities

BUSINESS RELATIONS AND TERRITORIES

- ① Ethics and internal control
- ① Responsible purchasing
- ☆ Employee commitment
- ① Territorial contributions
- ☆ 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 exercise and sports, cultural and sporting issues, as well as actions aimed at promoting the Nation/army bond and supporting commitment to the reserves, do not constitute major CSR risks and do not warrant a discussion in this management report.

Our CSR commitment

For 2023, Ugitech has continued its commitment to a sustainable future.

The projects arising from the strategic axis *Anchoring our Corporate Social Responsibility* to support a sustainable world made strong progress in 2023, including:

- support carbon neutrality,
- improve 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 of our business, and the actions we have taken and will take in the future will enable everyone to understand their role in this approach on a day-to-day basis, and to measure its importance.

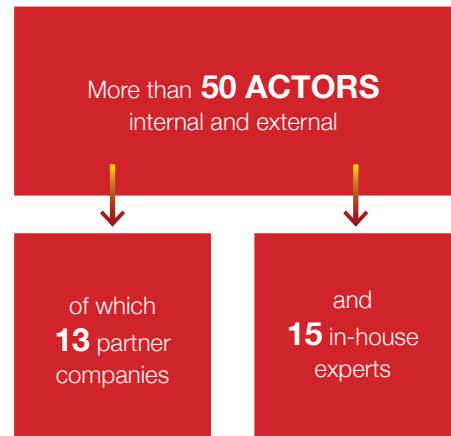
Every employee, every stakeholder, every customer is a link to be taken into consideration.

Sharing our commitment and actions internally and externally will enable us to mobilize together for our future.

This determination to act was expressed in 2023 by the organization of our first "Sustainable Development Day".

On the program, some fifteen booths and a dozen conferences open to all employees to talk about:

- decarbonation, green energies, heat recovery,
- disability, safety, security, employer brand and employability,
- responsible purchasing, compliance,
- recovery of raw materials, circular economy,
- green digital, ...



Objective

Raising awareness and demonstrating to employees, through concrete actions, the contribution of our ecosystem to CSR issues. The ultimate goal is to turn each individual into an agent of change, nourished by this knowledge.



Taxonomy

Swiss Steel Group considers its subsidiary Ugitech to be subject to the Taxonomy regulation from the 2021 financial year. For this reason, Ugitech is already publishing taxonomy information in this DPEF.



A new European regulation Taxonomy 2020/852 of June 18th, 2020, on the establishment of a framework to promote sustainable investment within the European Union has seen the light of day (Corporate Sustainability Reporting Directive).

We see it as an opportunity to highlight the sustainable nature of our activities and the investments we have made in this direction.

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

- the Climate Delegated Regulation of June 4th, 2021, and its annexes supplementing EU Regulation 2020/852, specifying the technical criteria for determining the conditions under which an economic activity can be considered to contribute substantially to climate change mitigation or adaptation,
- the delegated act of July 6th, 2021, and its annexes supplementing EU regulation 2020/852 by specifying how to calculate KPIs and the narrative information to be published,
- financial information to be extracted from the company's information systems (investment monitoring, consolidation) at the close of the annual accounts, which has been analyzed and checked to ensure consistency with consolidated turnover, OpEX and CapEX for 2023.

Following the updating of the Taxonomy regulations by Commission Delegated Regulations (EU) 2023/2486 and (EU) 2023/2485 of June 27th, 2023, Ugitech has reviewed its entire production process in parallel with the economic activities identified by the Taxonomy. The activities carried out by Ugitech in 2023 include:

- 4.15. Heating/cooling networks
- 2.3. Collection and transportation of non-hazardous and hazardous waste
- 2.7. Sorting and recovery of non-hazardous waste materials are an integral part of sustainable steel production and, in our case, generate no material income / no revenue.


KPIs Taxonomy

Within the framework of the first two climate objectives (mitigation of the effects of climate change and adaptation to climate change), the European Commission has prioritized sectors of activity with a major contribution to greenhouse gas emissions at 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 in this category constitutes a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852, provided that it meets the technical examination criteria set out.

Ugitech's business consists of manufacturing steels as described in section (b)-(i) of paragraph 3.9. of the annex to regulation 2020/852.

The 6 taxonomy objectives are discussed on the following pages:

 Circular economy: **cf p.21**

 Climate change mitigation: **cf p.25**

 Adapting to climate change: **cf p.25**

 Pollution prevention: **cf p.35**

 Biodiversity: **cf p.35**

 Preserving water resources: **cf p.35**

In 2023, a detailed analysis of its 3 indicators (revenue, OPEX and CAPEX) was carried out to assess their percentage alignment with the taxonomy.

Taxonomy-aligned revenue:

Revenue presented in accordance with IAS 1.82(a) include IFRS 15 revenue and IFRS 16 revenue

Fiscal year 2023	Year		Substantial contribution criteria							Does Not Significant Harm (DNSH) criteria (h)										
	Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Enabling activity category (19)	Transitional activity category (20)
€			%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Activity 1	3.9	601,00	100,00%							Y	Y	Y	Y	Y	Y	Y	100,00%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		601,00	100,00%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	100,00%			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
Activity 1 (e)		0,00	0,00%	EL; N/EL (f) EL	EL; N/EL (f) EL	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f) EL	EL; N/EL (f)								%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								%			
A. Turnover of Taxonomy eligible activities (A.1+A.2)		601,00	100,00%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		0,00	0,00%																	
TOTAL		601,00	100%																	

Business segment 3.9, steel manufacturing, is 100% taxonomy-eligible for turnover.

In addition, Ugitech uses Electric Arc Furnaces (EAF) to produce its steel, and its raw materials recycling rate is over 70%. Revenues are 100% in line with the taxonomy insofar as Ugitech meets the criteria of no significant harm (DNSH) and minimum guarantees (see below).

Operating expenses (OpEx) aligned with taxonomy:

Fiscal year 2023	Year		Substantial contribution criteria							Does Not Significant Harm (DNSH) criteria (h)										
	Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)w	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
€			%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Activity 1		26,00	100,00%							Y	Y	Y	Y	Y	Y	Y	100,00%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		26,00	100,00%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	100,00%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Activity 1		0,00	0,00%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0,00%			
Total (A.1+A.2)		26,00	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities(B)		0,00	0,00%																	
TOTAL		26,00	100%																	

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 around €26 million out of a total OpEx amount of €644 million (i.e. 4%), which are 100% eligible and aligned.

Capital expenditure (CapEx) aligned with taxonomy:

Fiscal year 2023	Year		Substantial contribution criteria							Does Not Significant Harm (DNSH) criteria (h)							Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution(14)	Circular economy (15)	Biodiversity (16)					
Economic activities (1)		ME	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Activity 1	3.9	13,60	100,00%							Y	Y	Y	Y	Y	Y	Y	100,00%			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		13,60	100,00%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	100,00%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Activity 1 (e)		0,00	0,00%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,00	0,00%	%	%	%	%	%	%								%			
A. CapEx of Taxonomy eligible activities (A.1+A.2)		13,60	100,00%	%	%	%	%	%	%											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities(B)		0,00	0,00%																	
TOTAL		13,60	100%																	

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. CapEx aligned with the taxonomy correspond to investments linked to production tools (€11.5M) as well as investments contributing to improving our environmental footprint. The latter include the electrification of a natural gas-fired furnace at our Imphy site, the start-up of the HYDREAMS project and the Ugi'Ring project with the acquisition of the Chateau Feuillet site. The proportion of investments contributing to improving our environmental footprint has risen significantly, from €200k in 2022 to €2.1M in 2023.

Only 66 % of CapEx reported under IFRS are considered applicable in the Taxonomy, as the IFRS definition differs from that of the Taxonomy.



Criteria for absence of significant harm (DNSH)



Adapting to climate change

Ugitech has carried out a climatic risk analysis for its sites based on data provided by an insurance company. Two IPCC (Intergovernmental Panel on Climate Change) scenarios were considered: RCP 8.5 (Representative Concentration Pathway) to 2030 and, to reflect the lifespan of our equipment, RCP 8.5 to 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 (flooding, storms, drought, heatwave, etc.) has been assessed by integrating existing protection measures, and the implementation of new measures has been defined based on an assessment of their criticality (probability and impact).

Cf. p.26



Pollution prevention and reduction

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

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

Cf. p.35



Sustainable use and protection of aquatic and marine resources:

In line with the requirements of the French Water Agency, Ugitech has developed a water resource management procedure. New projects are systematically assessed to check whether an environmental impact study is necessary. In this case, the impact study identifies the corrective and preventive actions to be implemented in accordance with regulations.

Cf. p.35



Protecting and restoring biodiversity and ecosystems:

New projects are also assessed to determine whether they require an environmental impact assessment or not. This impact study will consider any protected natural areas located near the sites concerned.

Cf. p.35

Minimum guarantees

Ugitech complies with the minimum guarantees, which are broken down into various themes covered in the following pages:

SOCIAL DEVELOPMENT AND QUALITY OF LIFE AT WORK

- Health, safety and working conditions p.48
- Equal opportunities p.58
- Social dialogue p.67
- Skills development p.71

ECORESPONSIBILITY

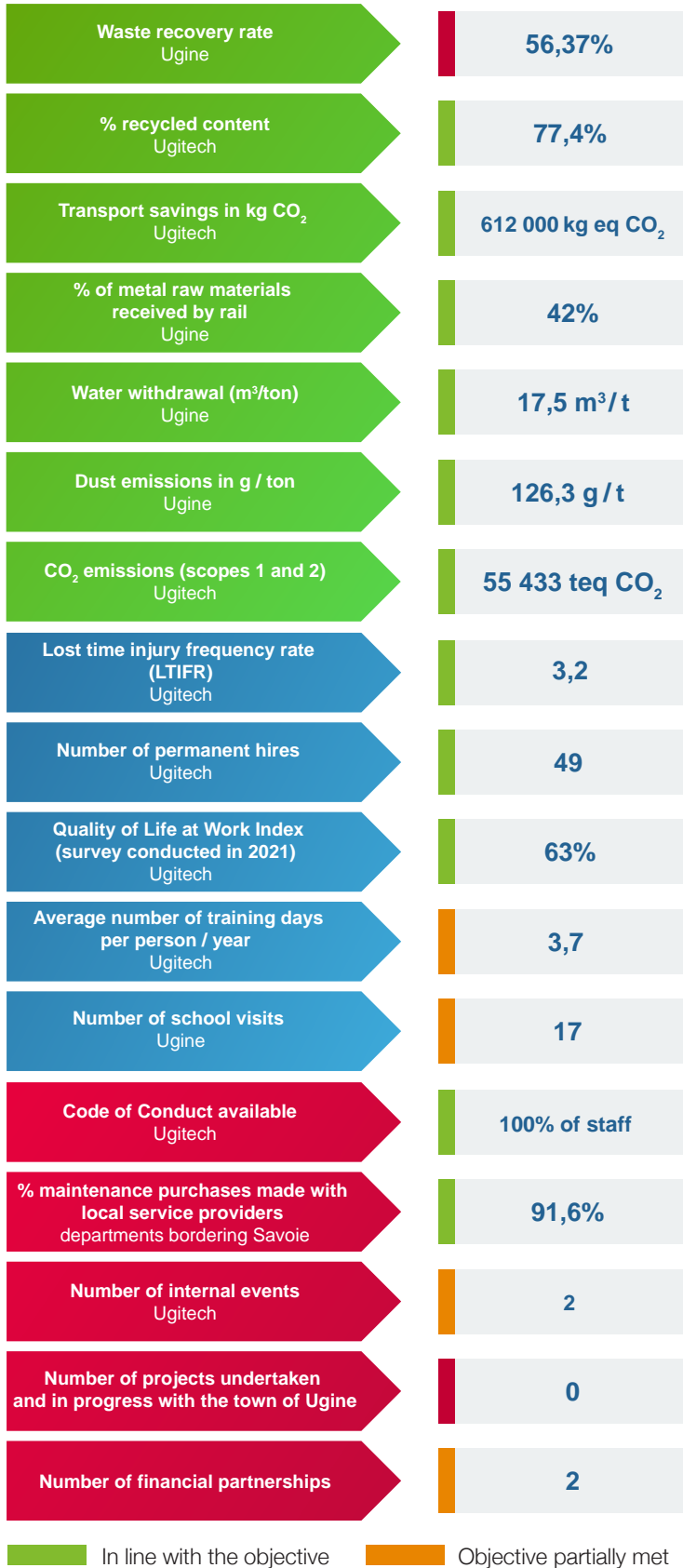
- Waste management p.39
- Energy performance plan p.25

BUSINESS RELATIONS AND TERRITORIES

- Anti-corruption policy, anti-competitive standards, Code of Conduct and whistle-blowing system p.82
- Supplier Code of Conduct p.88
- Governance and tax compliance p.91

2023

Key indicators





Ecoresponsability

Sustainability of natural resources: sustainable products and markets

- circular economy

Defining the issue

- Integrate the sustainability of natural resources into our daily concerns.
- Designing products that meet the durability needs that are at the heart of the concerns of designers using metallic materials.
- Develop the principles of the circular economy in all our activities.

- to offer the construction industry products that reduce the energy consumption of buildings,
- support players in the aerospace market in the development of low-emission engines,
- meet the demands of luxury markets who want to promote the circular economy by delivering bars maximizing the content of recycled products collected within a radius close to the factory (< 200 km),
- assess and improve the environmental impact of our products and processes, by developing their life-cycle analysis and eco-design.

Recurring annual
targets / KPIs

20 % renewal
of our product portfolio

85 % recycled content
in our products

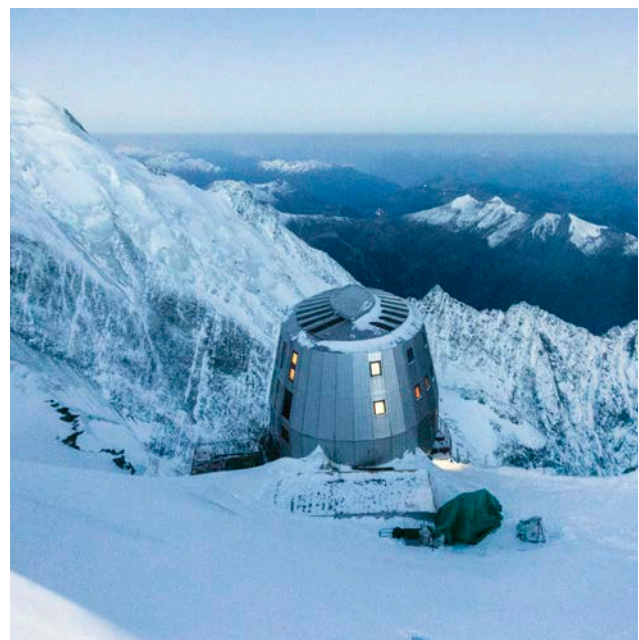
Develop the principles of the circular economy:

- give priority to the purchase of recycled materials for the production of our metal,
- create an industrial unit for the recovery of waste and industrial metal by-products for the production of ferro-alloys.

Quality objectives

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

- help our automotive customers optimize existing solutions and work with them on the powertrains of tomorrow.



Existing shares

Circular economy - Raw materials

The stainless steel manufactured at Ugine is essentially made from recycled scrap and offcuts. 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 used for recycling come from a variety of sources:

- Scrap metal purchased externally: these materials come from circular economy channels and are fully recycled at the melting shop.
- Internal scrap: all production scraps are recovered and recycled at the melting shop.
- Recycled waste: Ugitech has its own waste recovery facilities (rolling mill sludge, melting shop dust, grindings, etc.). These processes shape the waste, enabling it to be reused in the melting shop.

Figures for these raw materials, drawn up in accordance with GRI standards, are presented in the appendix.

The recycled content of products has been calculated for 2023 using the following formula:

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

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

Pre-consumer recycled content is made up of internal offcuts and recycled waste, while post-consumer content is made up of offcuts purchased from outside Ugitech.

- Recycled content: 77.4%
- Consumer PRE recycled content: 26%
- POST consumer recycled content: 51.37%

According to the taxonomy, recycled content is calculated according to the following formula:

$$\% \text{ content recycled} = \frac{\text{Tons of raw materials from recycling}}{\text{Tons of casted steel}}$$

Recycled content: 92.3%

(according to the taxonomy formula)

The recycled content of our products is monitored at the casting stage by the melting shop department.

High recycled content offers

To fulfill customer's requirements we have developed a grade with a high recycled content and a quality and purity equivalent to that required in the medical sector. These products are sourced locally, with raw materials coming from less than 200 km from the Ugine plant.

We have also launched a "Green Steel Stainless+". It guarantees our customers, products with over 95% recycled content. This offer has the advantage of reducing scope 3 CO₂ emissions by over 75%. The products offered have a carbon footprint well below 1.0 teqCO₂/t delivered.

Ugi'Ring project

This ambitious project aims to create the world's first "circular melting shop".

Ugi'Ring's aim is to replace these mining-derived alloys with recycled materials.

To achieve this, the project aims to transform end-of-life waste (catalysts, batteries, etc.) into raw materials.

In 2023, Ugitech acquired the Château-Feuillet site to set up Ugi'Ring activities there. An application for an operating permit was also filed. This application included an assessment of the potential impact of the project on biodiversity. This will contribute to the revitalization of this industrial site located less than 30 km from the Ugine melting shop.

The creation of this European virtuous loop would make it possible to:

- reduce our CO₂ emissions by at least 63 kt (minimum net impact),
- reduce our dependence on critical metals by -90%,
- improve Life Cycle Assessment indicators (95% of factors concerned),
- create local jobs.

Stainless steel is **100%** recyclable

Products for a sustainable world

The world market for stainless steels has been growing steadily for several decades, at a rate of between 2% and 4% a year. One of the reasons for this is that these products are the perfect answer to the need for greater durability and corrosion resistance than more conventional, less alloyed steels.

Automotive market

Ugitech works closely with major automotive industry contractors to reduce the ecological footprint of conventional internal combustion engines and develop hydrogen-powered engines:

- improved engine combustion with gas pressures of up to 3,000 bar,
- increasing turbo operating temperatures to improve efficiency,
- development of stainless steel solutions tailored to the requirements of hydrogen-powered 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 the energy carrier of the future, Ugitech has set up a multidisciplinary team whose objectives are to:

- check that the use of decarbonated hydrogen as a substitute for fossil fuels is compatible with our production processes and products,
- integrate Ugitech into a regional hydrogen ecosystem (heavy mobility, Zero Emission Valley, Espace Montagne, etc.),
- develop new stainless steel grades adapted to hydrogen embrittlement.



In concrete terms, this translates into a project to study the technical and economic feasibility of substituting natural gas with carbon-free hydrogen in our thermal processes. *The progress of this project is detailed in the Energy and Climate section of this document.*



New hydrogen analyzer at the Ugine Research Center (CRU)

Ugitech has also initiated projects such as:

- The completion of a CIFRE research thesis in partnership with SIMAP in Grenoble and CEA in Saclay, to improve understanding of hydrogen embrittlement mechanisms in steels and stainless steels. The thesis was defended on October 3, 2023, at Grenoble Alpes University.
- The setting up of a mechanical testing laboratory under H₂ (cathodic loading or gas loading) to characterize the hydrogen resistance of stainless steel under different pressure and temperature conditions.
- Ongoing studies at wire-drawing mills on the supply of green hydrogen to reduce-atmosphere furnaces.
- Participation in drafting the ISO 7039 standard for a tensile test to characterize the behavior of steels in a H₂ atmosphere.

Construction market

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

Ugitech:

- has joined forces in France with the 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, to promote a stainless steel grade that limits energy loss in housing. This new grade has a guaranteed thermal conductivity of less than 12.5 W/m·K, whereas the standard for stainless steel reinforcing bars is between 15 and 16 W/m·K, and carbon steel reinforcing bars have a thermal conductivity of 45 W/m·K.

This new stainless steel grade was introduced as 1.4670 in EN 10088-1 and 10088-3, the reference standards for stainless steels in Europe. Ugitech markets this product under the name UGITHERM® 4670.

Aerospace market

Ugitech is participating in the deployment of the LEAP engine, developed by Safran and GE, which reduces fuel consumption by 15%. CO₂ and NO_x emissions compared with previous airliner engines. We develop harder, more resistant grades to lighten on-board parts. We also help to reduce emissions and eliminate certain surface treatments on parts, which can lead to complexity and high logistical costs.



Medical market

Ugitech helps its customers deploy the new MDR 2017/745 and CLP (Classification Labelling Packaging) regulations. To meet this requirement, Ugitech has developed a wide range of grades containing less than 0.1% Cobalt. These grades are marketed under the name UGI® XXXX LR (Low Residual).

Ugitech has introduced a particularly hard, abrasion-resistant grade to ASTM F899 (Specification for Wrought Stainless Steels for Surgical Instruments): UNS S44027.

Market for the pulp and paper industry

The Brionne plant supplies profiles for filter baskets used in the pulp and paper industry. These profiles make it possible to replace baskets made from perforated sheet metal, thus significantly reducing electricity consumption in paper mills.

Assessing the environmental impact of our products and processes.

A Life Cycle Assessment (LCA) was carried out on two grades intended for the manufacture of stainless steel concrete reinforcing bars. The results of this LCA are used to draw up an Environmental Product Declaration (EPD).

This analysis enables us to quantify the environmental impact of our products. Beyond manufacturing, for example, we can measure the impact of raw materials as well as upstream and downstream transport. Ugitech has been trained to carry out LCAs in order to perform this type of analysis on products other than stainless steel reinforcing bars. This forms 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 in-house LCAs on its products, as part of an eco-design approach. In 2023, this methodology was applied to certain drawn products to compare environmental performance.

With a view to using manufacturing processes that are non-toxic for our operators, we have embarked on an initiative 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 leading French companies in the automotive and aeronautics sectors and coordinated by a public Technological Research Institute (IRTM2P). This work is at the stage of defining a new formulation.

The Ugine Research Center, meanwhile, is working on a breakthrough technology for chromium deposition using the plasma route. If this research is successful, "industrial" trials could be envisaged in 2024.

Future actions

- Continuing our work on hydrogen embrittlement of stainless steel, targeting start-up, continuation of slow tensile tests after cathodic loading of H₂ in 2024 and start of slow tensile tests under pressure of H₂ in 2025.
- Develop 3D printing partnerships to adapt UGIWAM® yarn to the usage values expected by users.
- Continue to carry out LCAs on other products in order to develop eco-design.
- Start recovering production offcuts from nearby customers to initiate short recycling channels.
- Deploy our "Green Steel Stainless+" offer, producing stainless steels made with material baskets containing over 95 % recycled content.
- Start up our continuous plasma chromium metal deposition line.
- Continue deployment of the UGI'RING project.
- Launch a new range of UGIMA-X with improved machinability for our bar turning customers in martensitic grades UGIMA-X 4021, UGIMA-X 4028, UGIMA-X 4057 and UGIMA-X 4542.

Finally, Ugitech, world-renowned for its UGIMA® range of stainless steels with improved machinability, continues to develop this product range. These stainless steels, produced using a special steelmaking process, enable our customers to machine our bars and wires with good chip fragmentation and particularly low tool wear. This enables bar turning machines or CNC machining centers to consume less energy, particularly when cutting tools wear out prematurely.

Performance monitoring

Product portfolio renewal rate* (%)

2023

22,9 %

2022

17,8 %

Recycled content (%) - Ugitech

2023

77,4 %

2022

75,1 %

*This data was obtained from figures provided by our management control department. Previous indicators have been recalculated accordingly to allow comparability of results.

Energy and climate

Defining the issue

- Support climate change issues and major international policies, including international carbon neutrality targets.
- Control our consumption by considering its direct and indirect impact on the environment.
- Making energy efficiency and climate impact a permanent concern for Ugitech staff.

Recurring annual targets / KPIs

CO₂ emissions: Scopes 1, 2 and 3

Net-zero

to 2038

-1 GWh/year

(electricity + natural gas)

Quality objectives

- improve our resilience to climate change by limiting our CO₂ emissions, through energy-saving actions,
- promote all our actions to reduce our carbon footprint,
- participate in the national effort to control consumption peaks and power grid disruptions,
- valorize our waste heat,
- mastering energy efficiency in our projects,
- raise our staff's awareness of Climate and Energy.



Existing shares

Low-carbon policy, assessments

Within the Development Department, the Sustainable Development Division is responsible for steering the CSR strategy, as well as the Fire Safety Environment and Energy Transition processes. The latter steers the company's decarbonization roadmap and energy efficiency initiatives.

In 2023, Ugitech, as part of Swiss Steel Group, obtained a limited assurance opinion from DNV on the quantification of 2022 emissions using a "cradle-to-gate" approach. A common quantification methodology was validated during these audits. The figures are presented in the appendix.

The Ugine site is subject to European ETS (Emission Trading System) regulations. Each year, the site's CO₂ emissions are validated by an external body.

Ugitech takes part in the CDP (Carbon Disclosure Project) questionnaire within the Swiss Steel Group. Individual participation is not possible when the group is involved.

The French steel sector transition plan has been published by ADEME. Ugitech took part in the working group that drew up this plan.

Decarbonization plan

Swiss Steel Group has signed up to SBTi (Science Based Targets initiatives). The targets have been submitted to SBTi and are currently being validated. The objective of Swiss Steel Group, of which Ugitech is an integral part, is to reduce CO₂ emissions per ton of hot-rolled steel by 2030:

- 23% for greenhouse gas emissions covered by the SBTi definition of steelmaking in melting shops and rolling mills (scope 1 + 2 and part of scope 3.1)
- 42% for the rest of scope 1 + 2
- 25% for scope 3.1 and 3.3

Carbon-neutral emissions are planned for 2038.

Ugitech has drawn up a decarbonization roadmap to achieve these objectives.

Innovating and anticipating the low-carbon future

- Technological breakthroughs
- Eco design
- Subsidy research
- Regulatory watch (e.g. CBAM)
- Joint venture
- Co-venture

Promote sustainable mobility for all types of travel

- Light vehicles
- Bicycles
- Handling equipment
- Multimodal transport

Consume less but better by improving our energy efficiency and our capacity to match grid capacity

- Sobriety plan
- Waste heat recovery
- Process efficiency
- Buildings
- Green IT
- Flexibility / Interruptibility
- Rationing plan

Raise awareness, communicate and involve people in the challenges of decarbonizing industry

- Customer communication
- Green Steel / Climate+ offer
- Certification of our approaches by recognized standards
- Employee awareness & involvement

Optimize our supply chain to reduce our carbon footprint

- Ugi'Ring
- Suppliers and customers involvement
- Reuse of co-products from our processes

Use clean energy sources with a low-carbon impact

- H₂ Ecosystem
- Electrification
- Renewable energy production
- Green energy contract PPA / BPA
- Hydroelectric sourcing

Climate change adaptation

Ugitech has carried out an assessment of climate risks (storms, drought, floods, heatwaves, etc.) in the perspective of an RCP (Representative Concentration Pathway) 8.5 scenario by 2030 and 2050 for all its sites. Adaptation measures have been defined according to their criticality.

CO₂ footprint reduction

Ugitech's CO₂ emissions are calculated according to the scopes defined in the GHG Protocol (GreenHouse Gas):

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

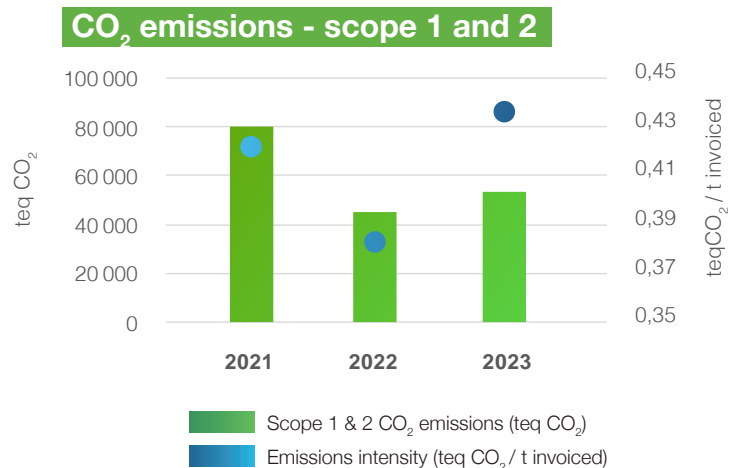
More broadly, Ugitech works on a regional basis, favoring projects that minimize CO₂ emissions at the global level and not just at the local level.

Carbon footprint

Data from the Reichshof site are not included for this year. This exclusion may result in an inaccuracy of up to 5 % on the scope 1 + 2, due to the emission factor for electricity consumed in Germany. It is < 1 % for scope 3.

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

Ugitech's Scopes 1 and 2 represent 55,433 equivalent tons of CO₂, i.e., an average of 0.44 teq CO₂ / t invoiced.



For 2023, the Ugine site has benefited from State aid to offset the cost of CO₂ in the price of electricity.

To reduce its CO₂ emissions, Ugitech is working primarily on energy efficiency and is seeking to reduce its consumption of natural gas and electricity. In fact, over 70% of direct emissions reported to the ETS (Emission Trading System) come from the combustion of natural gas.



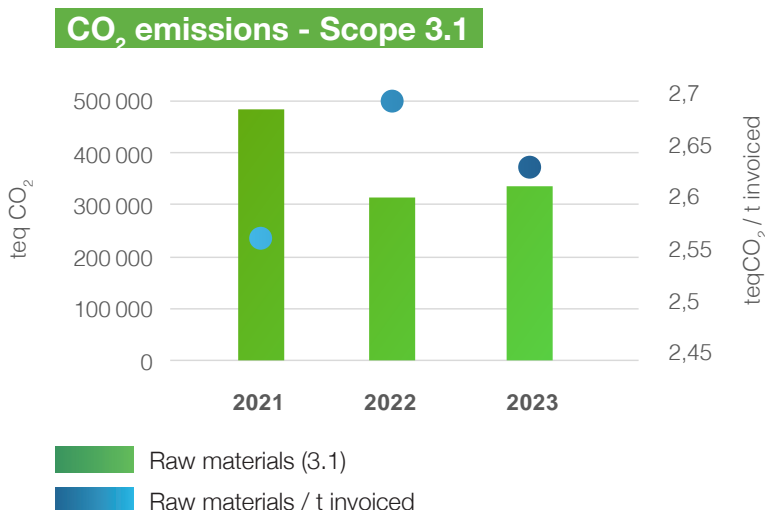
In addition, through its Green Steel Climate+ offer, Ugitech has contracted Guarantees of Origin to offset the electricity used in the manufacture of a Climate+ product with 100% renewable, non-nuclear electricity by the end of 2022.

Scope 3 - Other indirect emissions

Incoming raw materials - Scope 3.1

Data from the Reichshof site are not included for this year, as they require further consolidation to ensure consistency. Indicators for previous years have been recalculated on the same perimeter to ensure comparability of results.

This indirect emissions item accounts for the bulk of Ugitech's impact. An assessment of this item is presented below.



The objectives of developing the circular economy meet the same ambition as that of reducing CO₂ emissions. Thus, the development of recycled content in our products contributes to the reduction of CO₂ emissions on this scope.

The involvement of our raw materials suppliers is also essential. In 2023, Ugitech solicited its main suppliers via the CDP assessment.

Cradle-To-Gate approach

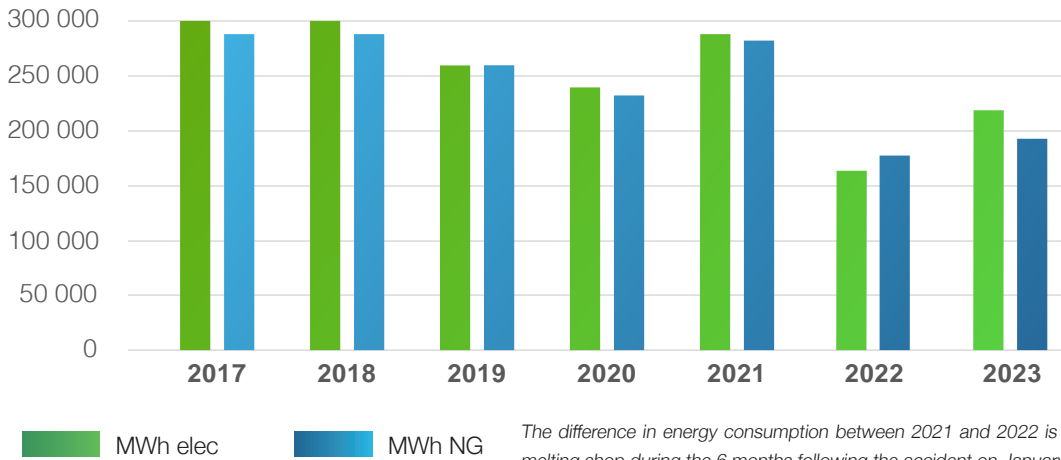
According to the CO₂ emissions quantification manual, validated by DNV, Ugitech quantifies its emissions using the "Cradle-To-Gate" approach. This approach makes it possible to quantify a product's carbon footprint on scope 1, scope 2 and a defined part of scope 3, including:

- indirect emissions linked to the procurement of raw materials and consumables (scope 3.1),
- indirect emissions linked to energy supply (scope 3.3),
- indirect emissions linked to slag (scope 3.5).

By 2023, on all its activities, the average CO₂ "Cradle-To-Gate" footprint of Ugitech products is 3.18 teqCO₂ /t

Ugitech SA energy consumption in MWh

Data from the Reichshof site are not included for this year, as they require further consolidation to ensure consistency. Indicators for previous years have been recalculated on the same perimeter to ensure comparability of results.



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

The year 2023 is not representative of our traditional business. Business has been slowed down by the international context, inflation and rising interest rates.

Energy Management System

Ugitech Ugine and SMEZ have been ISO 50001 certified since 2015, and TFA obtained certification at the end of 2022. The Milan site is preparing for certification in 2024.

In 2023, electricity meters were installed at Milan, enabling data to be reported, and an energy management system to be set up. An appropriate organization, with energy correspondents and regular exchanges, enables us to control our perimeter.

Our energy management systems are integrated with Ugitech's ISO 14001 environmental management system, enabling us to take joint responsibility for climate issues.

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

Energy consumption

Ugitech uses two main energy sources: electricity and natural gas (NG). Diesel and LPG are marginally used to power forklifts. When replacing our vehicles, we look into electric or hydrogen solutions.

Reduction in natural gas consumption by 2023

The partial shutdown of an equipment at the Brionne site resulted in natural gas consumption savings of over 10%.

The Imphy site has electrified a heat treatment furnace to reduce the site's natural gas consumption. The site will continue its work to further reduce consumption.

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

At our 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 2000s. The same applies to our compressed air supply.

Project eco-design

Ugitech's new investments are analyzed in terms of energy and the environment. Their impact is identified through studies that enable us to reflect on the best available technologies.

In 2023, heaters and boilers at the Milan and Imphy sites were replaced, optimizing energy consumption with more efficient equipment.

Energy improvement program

In 2023, our team continued its investigations into innovative pre-projects such as:

- oxycombustion and hydrogen,
- electrification,
- recovery of waste heat,
- photovoltaics.

Hydrogen project: HYDREAMS

This project started on April 1st, 2023, and will run for over 4 years. Coordinated by Ugitech, it brings together nine European partners who have benefited from a European grant. The aim of the project is to demonstrate the technical and economic feasibility of substituting natural gas with decarbonated hydrogen in the burners of our furnaces, in oxycombustion mode, in order to limit NOx emissions.

It takes place in several stages:

1. Sample tests in a pilot furnace at the University of Graz (Austria) to test the impact of a hydrogen-fed flame on our products.
2. The implementation of two demonstrators (one on the reheating furnace at the rolling mill entrance and the other on a heat treatment furnace).

3. The hydrogen supply for this last demonstrator will be provided by a high temperature electrolyzer capable of delivering 600kg/d of hydrogen. It will be supplied by project partner GENVIA.

This electrolysis process (SOEC) achieves higher yields thanks to the addition of 150°C steam produced from waste heat from the Ugine site.

Electrification

As mentioned above, the Imphy site has electrified a heat treatment furnace that previously ran on natural gas.

At our Ugine site, tests on our reheating furnace prior to hot rolling continued in 2023. We tested electrical resistors to validate the equipment before proceeding with industrial-scale electrification in the coming years.

Heat recovery

Our industrial facilities have the potential to recover waste heat, which is currently being studied.

Since the end of 2021, part of our waste heat has been feeding the Urban Heat Network (Réseau de Chaleur Urbain - RCU) of the town of Ugine.

This partnership enables us to reduce greenhouse gas emissions by around 1,200 teq CO₂ each year, excluding Ugitech.

In 2023, just over 2,500 MWh were recovered from the district heating network. This is still below our target, due to the drop in activity, but remains encouraging after the recent commissioning of the system.

Photovoltaic

A photovoltaic parking lot shade project at the Ugine site is currently under consideration.



The HYDREAMS project:

- 3 steel producers
- 4 technology providers
- 1 technology research institute
- 1 university

A collection of logos for the project partners: Bfi (Excellence in Applied Research), caldermys, HALIAS (Hydrogen & Applied Research), GENVIA, MESSER (Gases for Life), Swiss Steel Group, and TU Graz (Graz University of Technology).

Electrical flexibility

Ugitech has been involved for many years in balancing the French power grid. We work alongside RTE (French Electricity Transmission Network) via various electricity market mechanisms contracted with a partner (aggregator). Under the 2023 contract, five 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 emit high levels of CO₂. This process also reduces the risk of blackouts on the French and even European grids.

Gas load shedding

Ugitech is responding to the French government's request by preparing for possible drops in consumption to maintain the condition of France's natural gas network.

A load shedding network, like our electrical load shedding network, has been created by our team of automation specialists. At the same time, we need to optimize our data feedback to better analyze our natural gas consumption in real time.

DataLab

Ugitech is pursuing an energy monitoring project that will enable us to forecast our consumption at the Ugine site.

This project will provide us with more relevant indicators to help us manage our equipment.

Digital Responsibility

To integrate the green IT approach into Ugitech's CSR strategy, the information systems department has developed a roadmap to reduce the environmental impact of digital technology.

Among other actions, in 2023, an awareness-raising campaign was rolled out to all employees, with practical information to help everyone adapt their behavior.

The equipment used at Ugitech is energy-saving labelled, and purchases are concentrated on eco-designed equipment. In addition, the lifespan of equipment such as computers, servers and smartphones is extended to reduce the impact of hardware changes. Finally, all energy-saving options for workstations are deployed directly by the IT department: standby mode, screen shutdown, etc.

LED lighting

LED lighting has been installed at the Ugine, Reichshof and Brionne sites. Until now, existing lighting fixtures were replaced by LEDs when they reached the end of their life. In 2023, a replacement campaign has been carried out for the total replacement of lighting fixtures in 2 of our 4 production plants in Ugine. This operation involved no fewer than 900 light points.

Awareness

To accompany our sobriety plan, an awareness-raising campaign for our staff has been developed, with a regular publication. An e-learning program has been developed to raise awareness among new recruits. It is also available to other staff. Awareness-raising is also included in the annual induction of our subcontractors.

Renewable energy

In 2023, Ugitech acquired 12.5 GWh of renewable electricity guarantees. Thus, considering the energy mix of the electrical energy supplier, 16.8% of the electrical energy consumed by Ugitech is of renewable origin.



Future actions

- Manage Ugitech's decarbonization plan to achieve SBTi targets.
- Market our Green Steel Climate+ product offer.
- Improve the energy performance of our equipments 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 and TFA.
- Certification of Milan's ISO 50 001 energy management system.
- Renovate the photovoltaic panels on the Milan roof and consume the energy generated.
- Continued renovation of heating systems, improvements to lighting and energy monitoring.
- Continue to involve our suppliers in our decarbonization process.
- Continue the European HYDREAMS project (end: October 2027)

Performance monitoring

Data from the Reichshof site are not included for this year, as they require further consolidation to ensure consistency. Indicators for previous years have been recalculated on the same perimeter to ensure comparability of results.

	CO ₂ emissions (scopes 1 and 2)	CO ₂ footprint (scopes 1 and 2) / t invoiced	Energy consumption per ton invoiced*	% of electricity in the energy mix
	Ugitech	Ugitech	Ugitech	Ugitech
2023	55 433 teq CO ₂	0,44 teq CO ₂ /t	3,25 MWh/t	53,2 %
2022	44 924 teq CO ₂	0,39 teq CO ₂ /t	3 MWh/t	51,6 %

* Energy consumption includes electricity and natural gas consumption.

Responsible logistics

Defining the issue

As part of our strategic ambition to help reduce our carbon footprint, we want to contribute to the ecological transition by promoting environmentally friendly transport for the purchase of our raw materials and the delivery of our products to our customers..

Numerical and qualitative targets

We look at all possible destinations, and our aim is to maximize the use of rail for transporting 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 shares

The transport department has continued to work to increase the tonnage shipped by road-rail and to develop other transport solutions. This year, we exceeded 40,000 tons shipped by road-rail. In fact, we have further developed shipments to Germany via this type of transport.

Conversely, the Aiton-Orbassano link to Italy has been compromised. On August 27th, 2023, a landslide in the commune of Saint-André (73) led to the temporary closure of the railroad line, bringing our shipments to a halt.

Every opportunity to promote environmentally friendly transport is studied. Whenever possible, we use rail transport to receive bulk materials and to deliver to our end customers.

The overall result is a saving of 612 tons of CO₂ for 41,373 tons transported.

Below are the volumes for the Macon - Calais route.

	t transported	CO ₂ saved
2023	2 088	44 580 kg
2022	2 525	61 060 kg

Diversification of our road-rail shipments to Germany:

	t transported	CO ₂ saved
2023	19 014	326 056 kg
2022	15 786	297 735 kg

Assessment of the Lyon - Boulou line to deliver to our customers in Spain:

	t transported	CO ₂ saved
2023	414	7 496 kg
2022	466	10 260 kg



Road-rail now accounts for 25% of tonnages shipped.

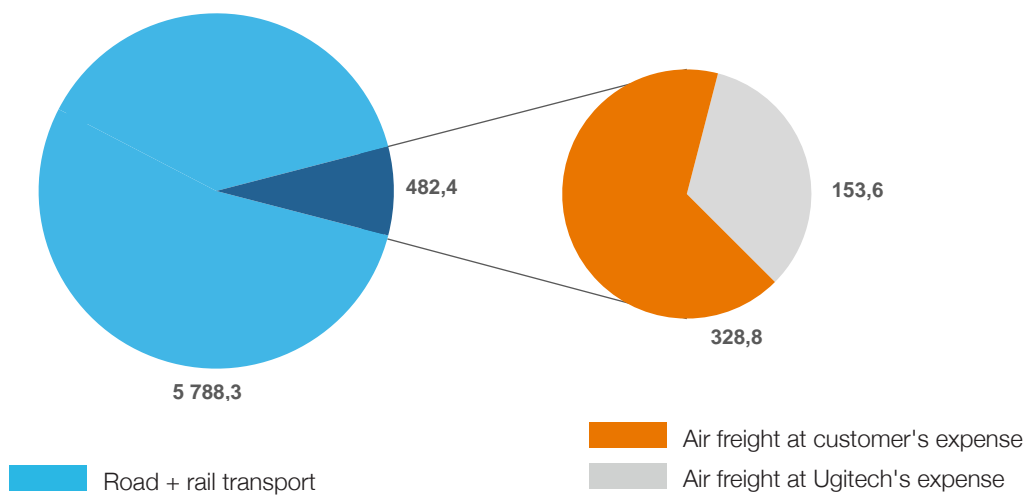
Despite the closure of the Aiton-Orbassano route, volumes transported by this method increased thanks to the diversification of our German destinations.

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

Future actions

- Pursue the development of road-rail delivery volumes for our customers in Europe by studying new logistics routes.
- Explore all possible alternative transport solutions.
- Maintain the use of rail transport for part of raw materials replenishment.

Impact CO₂ transport (scope 3.9) teq CO₂



Transport of Ugitech products between Ugitech sites and to the customer (scope 3.9). Carrier information is used, and air freight has been quantified.

Performance monitoring

	% of total volume shipped rail/road	% of metallic raw materials received in Ugine via rail transport* (quantities received)
2023	25 %	42 %
2022	25 %	41 %

	CO ₂ savings rail/road transport in kg eq CO ₂	Rail/road tonnage (t)
2023	612 000 kg eq CO ₂	41 373 t
2022	615 510 kg eq CO ₂	38 947 t

* This indicator is now based on quantities received instead of quantities invoiced. Previous data have been recalculated to enable comparability of results.

Protection of the local environment

Defining the issue

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

For the Ugine site, classified as SEVESO, work on preventing major accidents and minimizing the presence of hazardous substances on the site.

Quality objectives

- Comply with site regulations and participate in their development.
- Raising Ugitech staff's environmental awareness.
- Reduce our impact on the local environment by lowering our water, air and noise emissions.
- Integrate biodiversity issues into our processes.
- Prevent critical or major accidents and reduce the potential effects of hazardous substances.
- Continued progress on waste recovery and reduction.



Target figures
and qualitative criteria

UGITECH

0 critical incidents

≥ 80%
waste recovery rate

≤ 18 m³/t
water withdrawal

UGITECH UGINE SITE

100%
slag recovery rate

≤ 260 mg/l
total nitrogen concentration
in the water of the Wire Rod
workshop

≤ 200 g/t
dust emissions
the melting shop

UGITECH BOURG-EN-BRESSE SITE

≤ 2 mg/l
discharge concentration
in phosphorus



Existing shares

Environmental Management System

To meet our environmental challenges, our industrial sites have an environmental management system and are ISO 14001 version 2015 certified. The Saint-Étienne and Grigny sites are due to join the ISO 14001 certification perimeter in 2025. The TFA and Milan sites in Italy are also EMAS-certified.

All plant personnel and the surrounding population were also informed of the measures to be taken in the event of a major accident at the Ugine site. A regional communication campaign was deployed in 2023, with the publication of new brochures, posters and an updated website.

For a few years now, our specialist Environment Department has been building up its expertise in the management and reduction of environmental risks. This department monitors regulations and is in close contact with the local authorities. Each Ugitech site has set up an environmental organization in conjunction with the Ugine site to steer the approach and improvement projects. Each site manager is responsible for the environment in his or her area.

Environmental risk prevention is part of the integration process for all new Ugitech employees.

A SEVESO-type major accident prevention organization has also been set up at the Ugine site. It is based on the Security Management System, the Internal Operations Plan, the Fire Security and Environment Department and a team of regularly trained volunteer firefighters.

Environmental impact management

Pollution prevention

The Ugine site is subject to IED (Industrial Emissions Directive) regulations. The site's main activity is steelmaking, so the applicable European document concerning Best Available Technologies (BATs) is the BREF I&S. Compliance with this document and with BAT has been studied and taken into account in the review dossier. The prefectural operating decree for the Ugine site complies with IED regulations. Ugitech's other sites are not subject to the IED directive.

Emergency preparedness

Each Ugitech site identifies potential environmental emergencies. An organization is put in place to respond to them, with a view to minimizing the actual potential impact.

The Ugine site is subject to an Internal Operations Plan (POI). In 2023, following an update of the site's hazard study, the POI will be revised. It also incorporates regulatory updates relating to the identification, monitoring and treatment of the potential environmental consequences of an incident.



Aqueous discharges into the natural environment

Water discharges from our various industrial sites are monitored in accordance with current regulations. The results are forwarded to the authorities. In accordance with our ISO 14001 management system, the monitoring of our impact on water is documented: a water management system has been set up. Figures are provided in the appendix.

All industrial effluents are treated before discharge into the natural environment. Treatments are adapted to each effluent: de-oiling, physico-chemical treatment, decantation, etc.

Reducing overall nitrogen emissions at Ugine

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

Improving water discharge at Ugine

A 3-phase project is underway at the Ugine site. The aim of the project is to eliminate a discharge to the natural environment, to enable the treatment of accidental pollution from one of our discharges to the natural environment, and to improve the reliability of current effluent treatment. Following the installation of a new treatment device (decanter), the next phases will involve network optimization.

Reducing phosphorus emissions at Bourg-en-Bresse

The Bourg-en-Bresse plant discharges its effluent into the river, the Reyssouze, which is sensitive to phosphorus, which can promote eutrophication of the river. Since 2019, the site has been working to improve its water treatment plant before discharge. The results obtained are within the target set by the authorities. (Appendix)

Hazardous substances POPs and PFAS

Ugitech sites do not emit Persistent Organic Pollutants (POPs). In 2023, the subject of perfluoro alkylates (PFAS) emerged. Ugitech sites do not use PFAS. At the Ugine site, an inventory of products likely to be PFAS precursors has been drawn up. A campaign to search for PFAS in aqueous discharges will take place in early 2024.

Air emissions

Air emissions from industrial sites are regularly monitored and are generally in line with regulations. Atmospheric emissions are treated by appropriate facilities (e.g., dust collectors, flue gas scrubbers, PX systems to prevent Nox creation, etc.).

Ambient air measurements have also been carried out around the Ugine site by the Auvergne-Rhône-Alpes air quality association for several years. In 2023, fallout measurements were carried out at two points: one close to the plant, the other further away. Of the nine parameters measured, one exceeded benchmark or regulatory values at the point close to the plant.

The others comply with national regulations.

In 2023, the level of dust emissions from the melting shop is falling and is in line with the values required by the prefectural decree (33.4g/t for the maximum 150g/t required for the "furnaces" zone) and by European regulations (current efficiency rate = 98.86% for the minimum rate of 98% required by regulations). (Appendix)

Reducing atmospheric emissions at Saint-Etienne

The main substance emitted by the site is chromium. Located in the heart of the city, the site aims to be below the Emission Limit Value set by regulations. The objective is to emit a maximum of 10% of the authorized value. To achieve this objective, a complete overhaul of our atmospheric emission treatment facility was carried out in 2022.

Initial monitoring results show the project to be a great success.



Local impact management

Protecting biodiversity

All Ugitech sites in France have been the subject of an impact study in accordance with the regulations governing environmentally classified facilities. These impact studies include a section on the identification of biodiversity interests and the suitability of 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 carried out in 2017 for each of the French ISO14001 certified sites. Reviewed regularly, no major biodiversity risks have been identified. A more extensive approach to identifying biodiversity-related issues is under construction, as well as an extension to all Ugitech sites.

The main problem currently identified is the presence of invasive species, notably Reynoutria japonica known as donkey rhubarb on the Brionne and Ugine sites. This plant requires special intervention measures to prevent its proliferation.

Preventing soil pollution

All our industrial sites have implemented a program for the storage of hazardous products, to prevent accidental pollution, particularly of the soil. These retentions are regularly inspected and maintained. Groundwater quality is also regularly monitored.

Noise pollution

Noise emissions from the sites are monitored in accordance with current regulations, and the results are compliant.



External communication

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

Ugitech's other sites meet their local stakeholders according to the needs of each.

Waste management

Waste is sorted at all Ugitech industrial sites. Whenever possible, materials are recycled.

In 2023, almost 57,000 tons of waste were generated, 29% of which was hazardous waste. As 2023 was an atypical year in terms of production, the results are not representative of a typical year.

Figures are given in the appendix.

Slag accounts for the bulk of the waste produced by Ugitech (34,580 tons in 2023). It is recycled in road-building techniques in collaboration with a specialized service provider. In 2023, their recovery rate dropped to 44%. Refractory materials are also recovered, notably from the melting shop. Some of these materials are recycled internally or externally. (Appendix)

A new service provider, Excoffier, has been in charge of recovering our internal waste since the beginning of 2023. Cutting-edge optical sorting and air separator techniques ensure optimal waste sorting. Excoffier is also developing the solid recovered fuel (SRF) sector using our waste.

Our ageing furniture is sent to Valdelia, which carries out repairs and offers these second-hand goods to associations. A project to recycle refractories and site sweepings is also underway.

The Brionne site has succeeded in reducing its hazardous alkaline waste by shutting down one piece of equipment.

Environmental information on packaging

Environmental information on the materials and recyclability of Ugitech product packaging was made available in 2023. This meets regulatory requirements in Spain and Italy and encourages waste sorting by customers in other countries.

Dematerialization of hazardous waste traceability

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

Use of hazardous substances

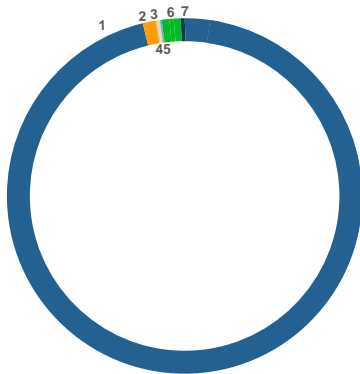
According to taxonomy regulations, Ugitech is not concerned by the use of persistent organic pollutants (POPs). In fact, the transformers have been cleaned of polychlorinated biphenyls (PCBs) in accordance with current regulations. The sites do not use any of the other substances concerned.

Finally, Ugitech still has cooling systems running on the refrigerant gas R22 (HCFC-22). These equipments are well-maintained and have no leaks. In the event of a leak, this equipment would be shut down immediately and replaced by new equipment running on a new gas.

Natural resources management

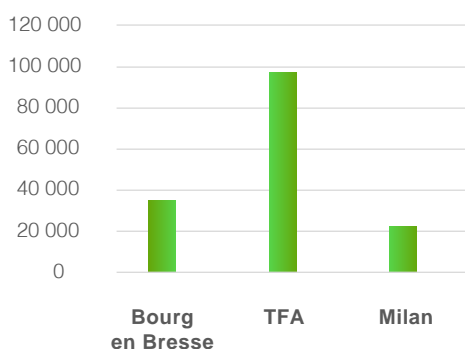
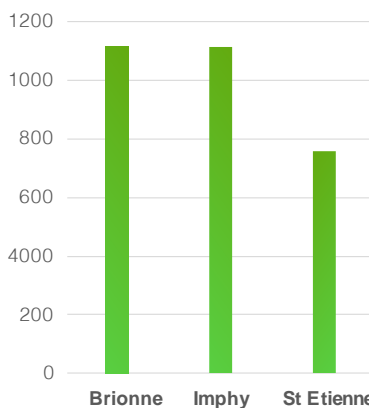
Data from the Reichshof site are not included for this year, as they require further consolidation to ensure consistency. Indicators for previous years have been recalculated on the same perimeter to ensure comparability of results.

Withdrawal and water consumption



1	Ugine	94,28 %
2	Bourg-en-Bresse	1,32 %
3	Brionne	0,04 %
4	Imphy	0,04 %
5	Saint-Étienne	0,03 %
6	TFA	3,44 %
7	Milan	0,86 %

Water withdrawal (m³)



In 2023, Ugitech, along with 11 other manufacturers, joined the French national water plan. This plan aims to reduce water abstraction and consumption. It is based on the development of a Water Sobriety Plan (PSH). Given the impact of the Ugine site on Ugitech's data, it has been detailed for this site only.

This plan details the water consumption of the various tools, the progress already made and areas for improvement. The PSH shows that 53 % of water is already recycled/reused.

Ugitech aims to reduce its water consumption by 10 % by 2030.

To this end, the Ugine site will be responding to the Water Agency's 2024 call for projects "supporting water sobriety", available to economic players. Over the course of the year, staff working to reduce water use on the site will be putting together a dossier of actions identified to achieve the objective of reducing water consumption by 10 % by 2030. These actions include modernizing certain tools by adding flow control devices or replacing them with more energy-efficient ones.

With no major impact on water abstraction results, rainwater is used whenever possible for watering or cleaning operations.

Water stress, drought

The Ugine site is the main consumer of water resources. It is not located in a water-stressed zone. However, some Ugitech sites are at risk of drought. As a result, restrictions have been placed on water withdrawal, without any impact on production at these sites.

Since 1995, several initiatives at the Ugine site have enabled us to significantly reduce the amount of water we draw from the natural environment. For example, to ensure the cooling of our tools, closed circuits are operated with air-cooling towers. Water recycling systems have also been installed on our supply circuits. As a result, the amount of water used has been divided by 3 (Appendix).

Reducing water consumption remains a major challenge and a strategic project for Ugitech.



Future actions

- Setting up an ISO 14001 environmental management system at Saint-Étienne and Grigny.
- Implement the investment project to improve hydrocarbon abatement at the Ugine rolling mill.
- Pursue research into innovative technologies for treating nickel in water.
- Prepare the investment to restore ecological continuity at a water intake of the Ugine plant.
- Implement the actions included in the Water Sobriety Plan.

Performance monitoring

	Number of critical incidents Ugitech France	Average concentration in the finishing shop water discharge in total nitrogen Ugine site	Average concentration of phosphorus in the WWTP discharge Bourg-en-Bresse site	Dust emissions in the melting shop (in g/t) Ugine site
2023	0	202,9 mg/l	1,89 mg/l	126,3 g/t
2022	0	204,5 mg/l	1,01 mg/l	106,1 g/t

	Water consumption (m ³ /ton invoiced) Ugitech Europe	Waste recovery rate Ugine site	Refractory recovery rate in the melting shop Ugine site	Slag recovery rate Ugine site
2023	22,4 m ³ /t	56,37 %	56 %	44 %
2022	26,7 m ³ /t	77,45 %	41 %	93 %

* Data from the Reichshof site are not included for this year, as they require further consolidation to ensure consistency. Indicators for previous years have been recalculated on the same perimeter to ensure comparability of results.

Appendix

Figures - Indicators meet the definitions of the GRI (Global Reporting Initiative) protocol indicators.

Raw materials (GRI 301-1, GRI 301-2)	Unit	2021	2022	2023
Internal and external scrap materials	t	213 128	69 947	138 079
Ferroalloys and deoxidizers	t	69 002	24 120	47 368
Auxiliary materials (lime, dolomitic lime, others)	t	25 845	9 012	17 736
Refractories	t	11 379	5 020	4 445

Energy consumption (GRI 302-1) Locations: Ugine, Bourg-en-Bresse, Imphy, Brionne, Saint-Étienne, Milan, TFA	Unit	2021	2022	2023
Electricity	GWh	289,83	163,76	218,59
Of which electricity from renewable sources	GWh	44,35	25,94	36,70
Of which nuclear-generated electricity	GWh	215,51	119,87	169,82
Of which electricity from fossil fuels	GWh	29,96	17,95	12,07
Natural gas	GWh	290,36	170,26	192,07
Diesel	Mwh	4 680,99	2 939,85	3 364,89

Water withdrawal and discharge (GRI 303-3, GRI 303-4) Locations: Ugine, Bourg-en-Bresse, Imphy, Brionne, Saint-Étienne, Milan, TFA	Unit	2021	2022	2023
In surface waters	m ³	3 201 655	2 938 358	2 681 698
In groundwater	m ³	203 126	162 533	153 080
In municipal waters	m ³	10 019	7 903	8 393,9
Other sources	m ³	2 390	3 113	1 110
Discharge	Unit	2021	2022	2023
In surface waters	m ³	2 906 953	2 636 855	2 412 952
In the municipal collector	m ³	11 198	10 395	10 787
Other	m ³	5 693	3 055	2 707

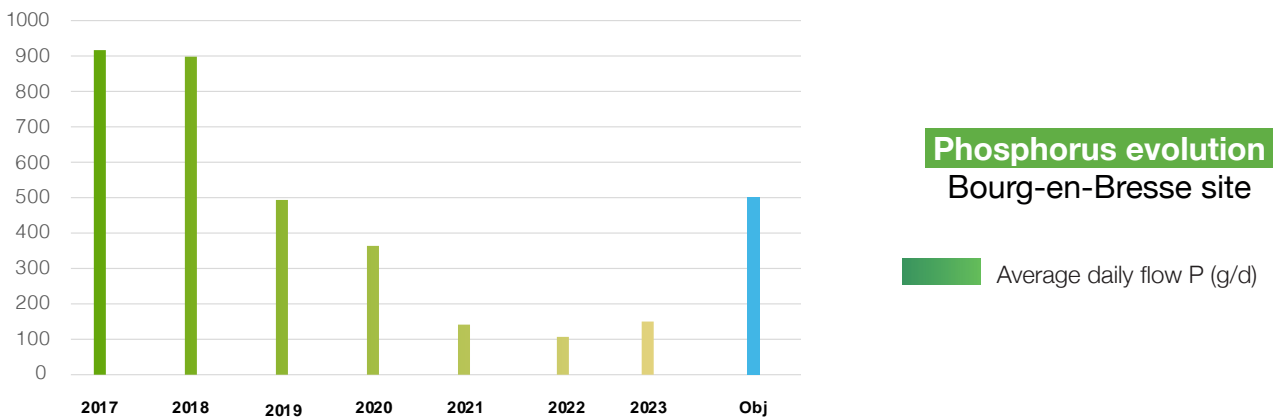
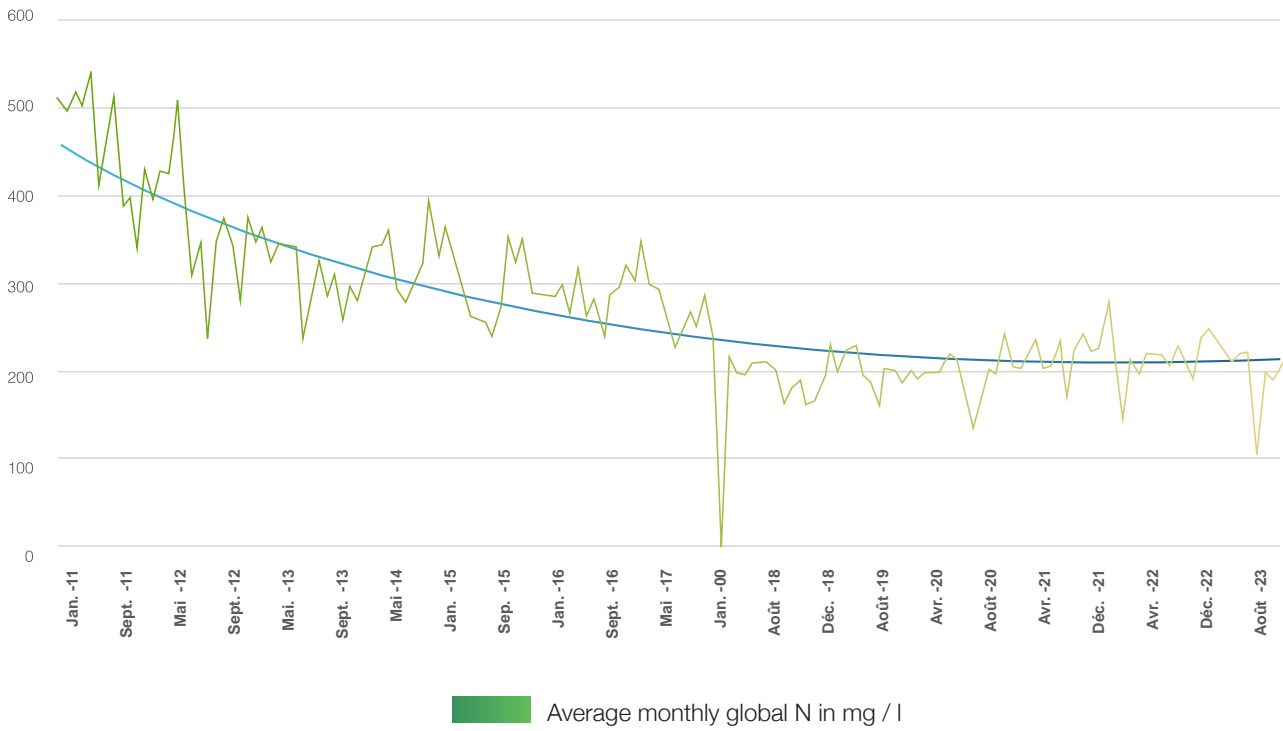
Water emissions (GRI 303-4) Locations: Ugine, Bourg-en-Bresse, Imphy, Brionne, Saint-Étienne, Milan, TFA	Unit	2021	2022	2023
Chrome	kg	92	75	100
Iron	kg	815	201	295
Suspended matter	kg	7 253	10 767	13 290
Nitrates	kg	190 954	124 936	123 414
Phosphates	kg	244	150	135

Air emissions (GRI 305-7) Locations: Ugine (not applicable to other sites)	Unit	2021	2022	2023
Dust emitted by the melting shop	t	41,1	13,2	18,1
Dust collected at the melting shop	t	5 137	1 662	3 319
No _x	t	117	47,3	64,5

Waste (GRI 306-3, 306-4, 306-5) Locations: Ugine, Bourg-en-Bresse, Imphy, Brionne, Saint-Étienne, Milan, TFA	Unit	2021	2022	2023
Hazardous waste generated	t	23 261	14 972	16 545
Of which hazardous waste recycled / recovered	t	16 584	11 219	8 739
Of which hazardous waste directed to disposal	t	6 677	3 753	7 774
Non-hazardous waste generated	t	58 212	29 796	46 892
Of which non-hazardous waste recycled/recovered	t	58 128	29 566	27 116
Of which non-hazardous waste directed to disposal	t	84	230	256

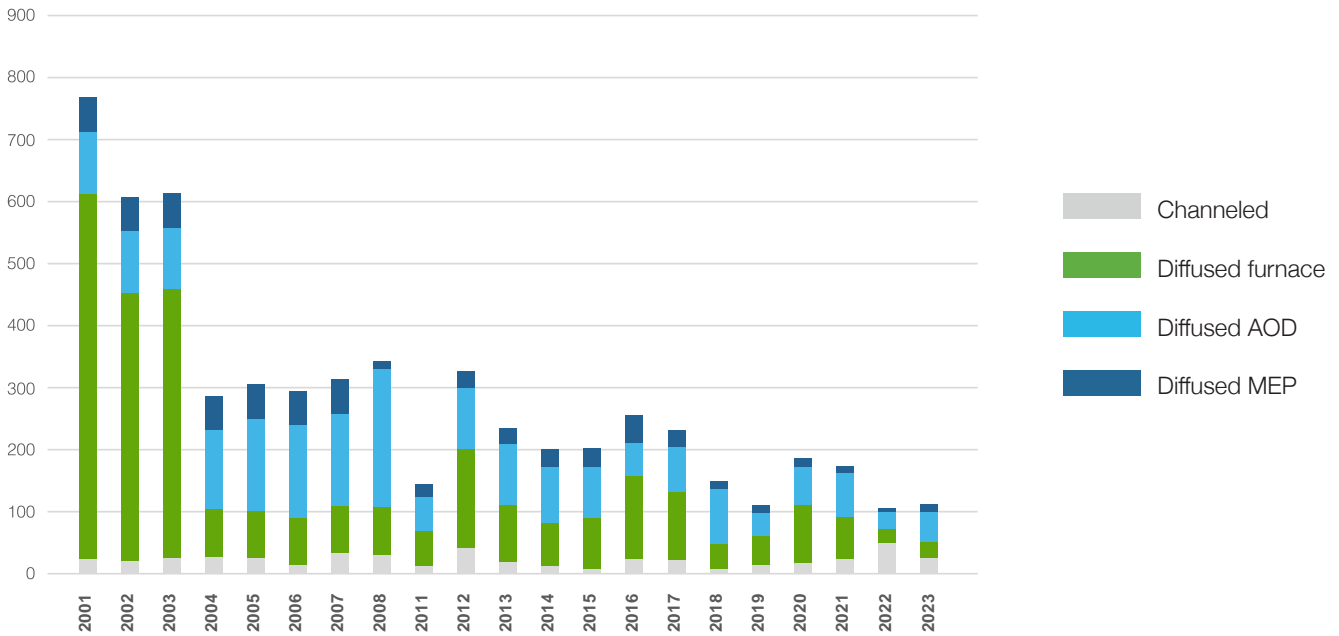
CO₂ emissions according to GHG protocol, validated by DNV for 2021, 2022 Locations: Ugine, Bourg-en-Bresse, Imphy, Brionne, Saint-Étienne, Milan, TFA	Unité	2021	2022	2023
Scope 1	tCO ₂ e	71 574	38 355	47 850
Scope 2, market based	tCO ₂ e	9 317	6 569	7 582
Scope 3, 3.1 + 3.3 + 3.5	tCO ₂ e	493 859	322 068	345 387

Total nitrogen concentration in mg/l-finishing workshop discharge

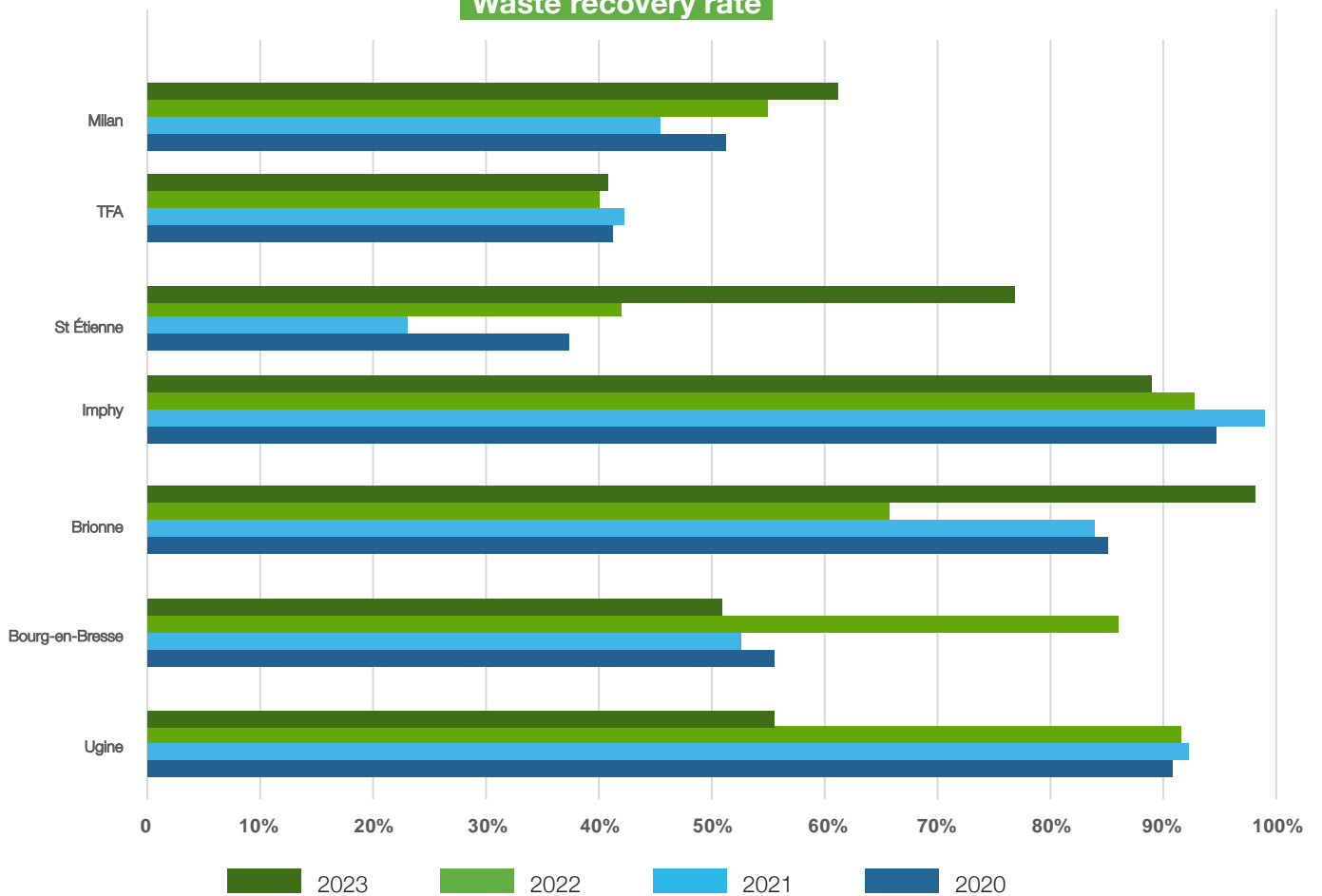


Melting shop dust emissions (g/t)

Ugine site

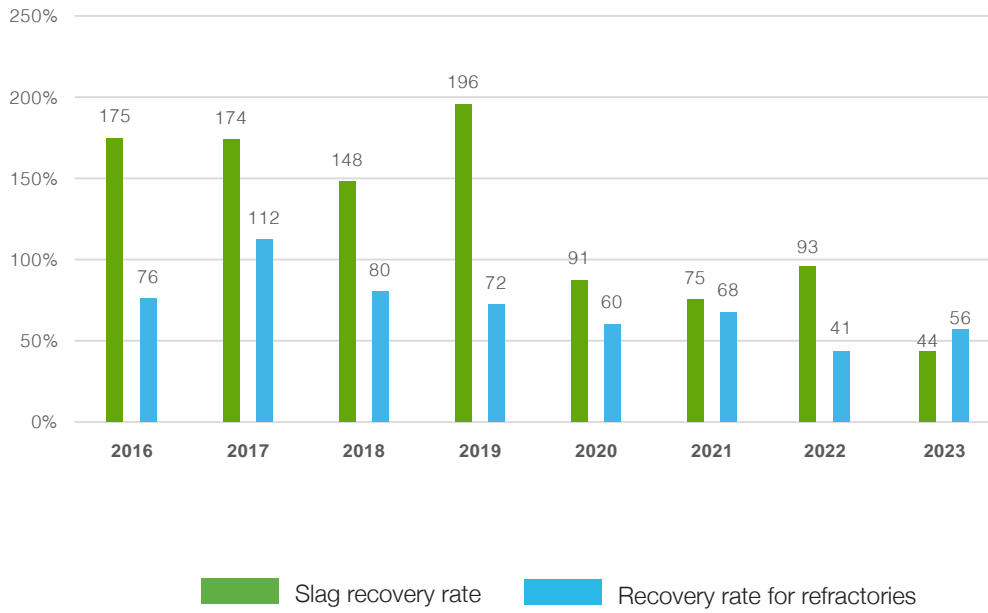


Waste recovery rate



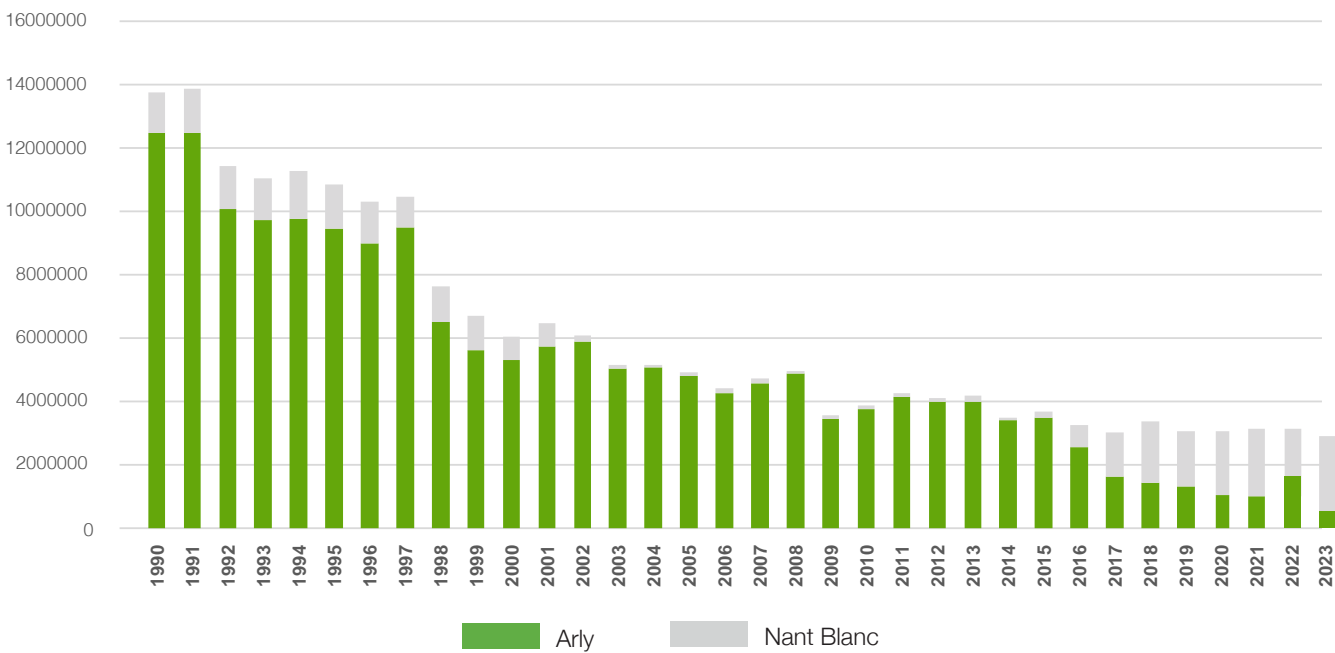
Recovery rate for the melting shop's main waste products (%)

Ugine site



Water withdrawal (m³)

Ugine site





Social development and quality of life at work

Health & Safety and working conditions

Defining the issue

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

Recurring annual
targets / KPIs

**Our ultimate goal is to
achieve "zero" accidents
and "zero" occupational
illnesses.**

Quality objectives

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

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

Existing shares

We take a long-term approach to technical, organizational and behavioral issues, with gradual implementation to support and anchor change over the long term.

We proceed to:

- the definition of a prevention policy and an appropriate strategy aimed at defining priorities for action based on an assessment of our risks,
- setting up and deploying an appropriate organization and financial resources,
- steering our health-safety-ergonomics initiatives by deploying an integrated management system promoting continuous improvement.

We are pursuing a comprehensive multi-year transformation plan based on five priorities,

- bringing our work equipment into line with ergonomic standards,
- management of lifting equipment: overhead cranes and jib cranes,
- traffic flow and the management of pedestrian-engine co-activity,
- handling industrial risks such as falls from heights, work in confined spaces, isolated workers, etc,
- the prevention of Psychosocial Risks (PSR) and, more broadly, the development of Quality of Life and Working Conditions (QLWC),
- behavioral approach to risk and development of organizational measures (training, communication).

This plan is supplemented by local plans specific to each site. They are reviewed annually with stakeholders, in particular the CSSCT.



A standardized approach

The roles and missions of the Health, Safety and Ergonomics (HSSE) players are now better known and recognized, thanks to local exchanges and working groups. Cross-functional projects and sharing between departments and sites have continued to develop a standardized approach to our needs.

We have continued to develop this cross-functional HSSE approach based on:

- Reinforced organization: each department has a dedicated HSSE team member. To this end, risk prevention engineers have been recruited in various workshops and sites.
- Harmonization of practices between departments: minimum standards to be achieved continue to be established, theme by theme, structuring our working practices. The bests of these are retained and shared, enabling us to steadily raise our standards. This enables everyone to benefit from the most effective feedback. Regular operational HSSE reviews enable us to organize exchanges and coordinate actions.

- The implementation of a Safety Management System based on 45001: a pre-audit was carried out in March 2021. Following this, we launched working groups to bring us closer to the expectations of this standard. We have now postponed our original target date and will launch our certification in June 2024.
- An evolution of our Safety Culture in line with day-to-day operational management. 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 calls for greater support for supervisors in their day-to-day practices, to encourage them to adopt the approach.

Major news

The tragic and major accident that took place on January 3rd, 2022 has determined Ugitech to launch a series of in-depth initiatives.

Firstly, through greater control and management of lifting equipment.

As part of our commitment to Corporate Social Responsibility, we went out of our way to share the findings of the survey with our French and European competitors in the metallurgical industry. We also raised their awareness by sharing our human feedback.

On March 2nd, 2023, Ugitech suffered another tragic accident in a workshop at its melting shop.

An operator was knocked down by a forklift, resulting in his death.

This event has shown that safety must remain, more than ever, our priority, for everyone, at every moment. Our manufacturing processes and the size of our equipment demand the utmost caution and rigor in our day-to-day behavior.

This accident has once again profoundly challenged our perception of operational safety. The team's employees naturally received immediate support and psychological assistance.

Over the years, the company has developed a dynamic approach to managing the risks associated with traffic and pedestrian-machine co-activity on its sites. In fact, this topic has been one of our priorities for several years. This accident is a reminder that this risk can never be trivialized, even when numerous technical and organizational measures have been put in place.

We have carried out an analysis of the causes of this accident, through a multi-disciplinary commission including members of the CSSCT, to which we have invited the authorities in order to share information with the greatest possible transparency. We shut down our melting shop for two weeks to allow a more serene resumption of activity. This shutdown had an impact on all Ugitech's upstream and downstream processes. The Health, Safety and Ergonomics (HSE) department was heavily involved in managing the accident, analyzing it and dealing with its consequences.

Secondly, the findings of the survey led us to carry out a comprehensive program to identify pedestrian-engine co-activity in different work situations. Employees were involved in this process, as it is also necessary to change their perception of risk. Solutions adapted to the need for protection and prevention of the risks identified were tested and implemented.

Facilities, rules and equipment

We have reinforced the requirements for driving and walking on our sites. These have been widely communicated to employees, subcontractors, and visitors alike. Particular attention is paid to incident and deviation reports, which are regularly shared, analyzed and processed.

Our fleet of forklifts - some of which are large and high-capacity - was already equipped with numerous safety systems:

- "blue spots",
- belt buckle sensors,
- speed management assistance,
- reversing camera,
- and, for some of them, artificial intelligence (AI) systems for recognizing fixed obstacles and pedestrians.

We are gradually moving to a new generation of AI-assisted cameras to keep up with the best safety technologies available for our mobile lifting equipment. On-board systems of red light lines projected onto the ground around the machines are also being tested to materialize the limits of danger around a machine.

Floor layouts in work areas, storage yards and shared traffic lanes have been designed and implemented during 2024 to separate pedestrian flows from machine movements as much as possible.

Health

An Imphy health initiative

Addiction management

The Imphy site has launched a program to manage addictions (alcohol, drugs, etc.), supported by a nationwide association which helps companies and people suffering from addictions. To begin with, the entire local management team was trained by staff from this specialist association.

Ugitech's other sites are benefiting from the feedback from their approach and are also implementing a dynamic based primarily on information and prevention for staff and management.

Regulations and jurisprudence are evolving, as are psychotropic drug consumption habits. The aim is to raise awareness of the risks involved, from health impacts that can sometimes be ignored or neglected to personal penal implications and, of course, the need to take precautions. risks in the workplace in the event of impregnation.

Quality of Life at Work (QWL) Survey 2021

Management, in conjunction with employee representatives, launched its second survey of all Ugitech France employees on working conditions in spring 2021. A communication on the results of this survey and its follow-up was scheduled for the first days of January 2022. In view of the accident that occurred in 2022, management has postponed the release of this survey until 2023.

This survey assessed the feedback from the actions that were launched as a follow-up to the 2018 survey.

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

The results of this survey can be consulted in our DPEF 2021 and 2022.

The Quality of Life at Work indicator has risen from 62% to 63% between 2018 and 2021. It is made up 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 (Prevention of Physical Activity-Related Risks) program to be launched in 2020, the melting shop has secured its pits. Lightweight mobile safety systems have been installed on each pit. This notable project puts operators and their practical needs at the heart of the project.

In terms of machine compliance, Ugitech continues to deploy its modernization efforts, integrating workstation ergonomics and capitalizing on feedback from the changes made. This is a cross-functional, participative approach. Safety at the workstation has to be thought through in a practical way if it is to be applicable, both to new equipment and work, and to existing installations.

In the long term, we are also working to eliminate health risks. This action is aimed at maintaining employees in employment through several approaches, including:

- the reduction of arduous work and its related factors,
- treatment of Musculoskeletal Disorders (MSD),
- accessibility to workstations for all.

It involves synergy between several departments. Our approach is based on risk prevention: signs of illness are detected as early as possible.

Ergonomic actions at Imphy

As part of the GESIM 2023-2024 project, we have been working on the accessibility of furnace reels and capstans. The focus is on both safety and practicality. The reel area at the entrance to the plant has been reorganized and the reels repositioned. New means of access, taking account of operators' movements, should enable them to reach the capstans located at height more easily.



Safety



GESiM
VÉRIFICATION
PFM 2022-2023

The GESiM 2022-2023 challenge organized by the steel industry focused on *Improving inspection operations at the Wire-Machine Completion stage*. Volunteer employees are integrated into a dynamic approach in the field, about which we communicate actively.

The collective dealt with:

- Control station layout (improved lighting, installation of brackets or development of practical tools to facilitate operations).
- Management of pedestrian traffic lanes and signage (testing of new technical lighting solutions using ground projection). These solutions were used as benchmarks and tested in other production sectors.
- The subject of Personal Protective Equipment (PPE), in particular work gloves (appropriate level of protection while preserving the dexterity essential to product quality control and verification operations).

In the end, the tests carried out were conclusive, marking a significant change in usual working practices.

In June 2023, our teams met in Saint Raphaël to present their work to the companies taking part in this challenge.

Ugitech is involved in the GESiM 2024 challenge involving the Imphy wire drawing plant and the safety of its annealing furnaces.



Lifting equipment

As part of its action plan, Ugitech has developed an in-depth analysis and assessment procedure for its overhead cranes and jib cranes. As part of this, the company plans to replace or modernize some of them.

During the summer of 2023, the melting shop's Charge bridge - the place where scrap metal is delivered and handled prior to melting - was replaced by a new generation of equipment. This major project has been the focus of a great deal of attention in terms of both ergonomics and safety. The teamwork involved brought together a wide range of skills, all within a tight timeframe. In just three weeks, it could be installed and restarted during our annual summer shutdown. Despite the complexity of the site and the scale of the work, the Ugitech team and its subcontractor rose to the challenge brilliantly.

Machine conformity

New machines

Our approach to new machines and major conversions is to design them upstream with maintainers, operators and designers/manufacturers. We have drawn up a general procedure covering the various phases required for successful compliance. This approach, which goes beyond European regulatory requirements, aims to raise the level of safety in the design of new or reconditioned equipment. Particular attention is also paid to minor modifications to existing machines.

Handling obsolescence

It's clear to Ugitech that equipment compliance goes hand in hand with obsolescence management. Following the major projects carried out since 2020, numerous analyses have been launched in preparation for future investments. This is an opportunity to upgrade workstations for both production operators and maintenance staff, with a focus on safety and ergonomics.

The momentum around the bridges was reinforced following the accident on January 3rd, 2022, itself incorporates a co-construction approach with operators, and takes into account workplace ergonomics as well as well thought-out operational safety. We work with the manufacturer to optimize the design of our lifting equipment.

This dynamic is planned over a number of years, with the implementation of changes requiring rigorous deployment of the working method and appropriate resources.

Safety is built collectively

A "Modifs Committee" was launched at the end of 2019 at the finishing shops in the test phase to exchange ideas and study solutions that would make daily work easier or safer. Drawing benches, certain feeders and even power tools have benefited from this collective thinking approach. The Committee has been deployed at the Wire Rod Workshops and has begun to be deployed at the melting shop, with the first site under construction.

In 2023, the remote sites continued their efforts to provide safe and convenient access to the installations, particularly the wire-drawing machines. Our wire-drawing plants continue to collaborate and exchange ideas to propose solutions that can be transposed and adapted from one site to another.

Bourg-en-Bresse actions

GIWELD project

This industrial project on welding wire is a technological leap forward. The general approach aims to rationalize the process through a technological breakthrough that has a positive impact on working conditions, particularly in terms of health and safety. The number of load handling and retrieval operations is greatly reduced, thus lowering the risk of musculoskeletal disorders (MSD).

Several machines have been upgraded to meet the need for modernization, with a focus on ergonomics and compliance.

The aim is to develop practical aspects at the workstation for operators, while also avoiding mechanical risks during manual operations.



Preventing exposure to chemicals

Centralized dust collectors have been installed to ensure pollution control at source. This prevents the diffuse dispersion of metal dust and lubricant powders, further improving the quality of the atmosphere in the workshops. In addition, changes have been made to the chemicals used in certain manufacturing processes to reduce risk at source. A new application method for certain liquid lubricants has eliminated the need for solvents and their evaporation. This new technology further reduces operator exposure.

We have been working across the board on the presence of boron in our wire surface treatment processes. This substance was recently classified as CMR class 2 under REACH. This dynamic was shared between Ugitech's various workshops and sites, marking an effective and aligned collaboration.



Confined spaces working group

In 2023, we continued an inter-departmental project on risk management for work in confined spaces. Our activities require us to carry out underground inspections and work in enclosed areas where risks may exist or arise as a result of our activities.

Several risks may be present: anoxia, isolated workers, chemicals or falls from height. We have inventoried each area likely to present these characteristics and analyzed the conditions of intervention. Existing general measures in such areas have been reinforced with new written instructions, fixed or mobile extraction equipment, and appropriate training. These measures apply both to our own staff and to specialized contractors to whom we subcontract certain maintenance, cleaning, emptying or other operations. The management program will be rolled out over several years, in different phases, with the aim of providing technical solutions adapted to each area. For the time being, mobile equipment is available for safe intervention.

This project benefited from the advice and feedback of a company in the metalworking sector, which had a fatal accident involving confined spaces. It has developed a strong dynamic that can be taken as an example.

Chemical risk management

In 2023, we pursued our chemical risk management program at all our sites. However, operating conditions were severely impacted by the aftermath of the 2022 accident, and by economic conditions in commercial markets such as energy.

Our sampling campaigns have been adapted accordingly. Trained correspondents continue to roll out the strategy through "garage clearances" (sorting and eliminating unwanted substances), updating chemical risk assessments, making simplified sheets available, and managing the transport of hazardous materials with the support of the central Health & Safety department.

In the Wire Rod Finishing department,

work was carried out in the workshop to manage employee escape in the event of the release of caustic chemicals used in wire rod treatment processes. Escape masks have been installed in the area of potential vapour release. These masks enable people to evacuate the impacted area and take calm shelter in the event of an accident. A new evacuation alarm system is currently being installed. Evacuation drills are scheduled for 2024, and on a regular basis thereafter.

Creating moments of exchange

We encourage our employees to take responsibility for their own health and safety, as well as for that of their colleagues, by communicating and creating opportunities for exchange. In 2023, just over 290 near-misses were reported via our reporting system, marking a stable level of reporting.

Over 1,200 action detections were also carried out, 20% more than in 2022. Depending on their level of importance, near-accidents can be analyzed in the same way as workplace accidents. In all cases, these declarations of risk situations have made it possible to take into account and deal with situations before an accident occurs.

Feedback from significant near-accidents is communicated internally to employees and to other Swiss Steel Group entities.

ISO 45001

Daily field audits

On a daily basis, we carry out field audits on various topics related to our business. This approach covers company traffic, crane lifting and the proper safety training of new arrivals. New audit themes have been developed with user operational departments. We are now developing our thirteenth format.

This tool has been developed to facilitate exchanges between operators and management on safety issues. It also serves as a reminder of work standards, enabling them to be shared and stimulating reflection and commitment on day-to-day work situations. These audits have enabled us to improve the safety levels of our external contractors. They identify gaps, but also highlight the strengths of our sites. The results of these audits are used on a daily basis at site meetings during shutdown periods to provide the factual information needed for corrective action.

The assessment is shared once a year with external contractors as part of an enlarged CSSCT (Health, Safety and Working Conditions Committee). For several years now, this ritual has enabled us to take a step back: at the end of a working meeting, future orientations and priorities concerning our worksites are jointly defined. This enables us to evolve together in our working practices, while striving for the highest standards and "zero accidents".

In 2023, while we had to deplore a few accidents involving contractors on their sites during the summer shutdown, the winter shutdown did not result in any accidents, with or without lost time.

Benchmarks and exchanges

In 2023, we particularly developed ongoing exchanges with local industrial players with whom we share common interests. This feedback is invaluable to us, as it brings together a wide range of activities. They also enable us to take a fresh look at how we tackle common problems.

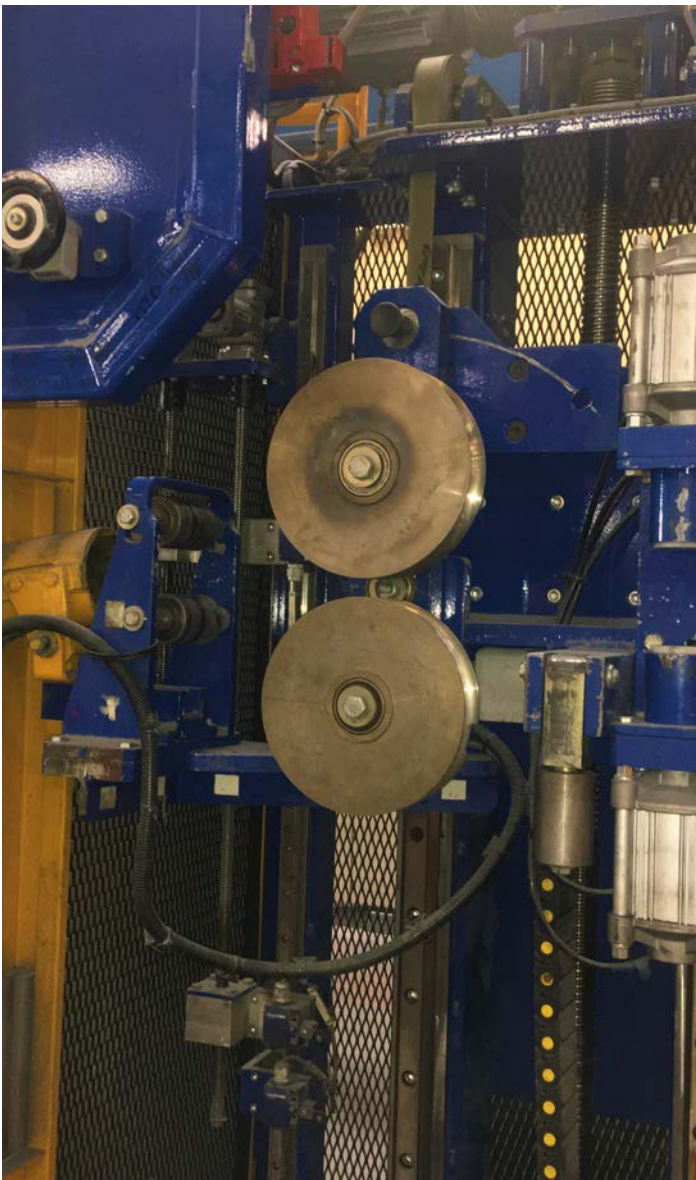
This approach favors both the possibility of observing concrete implementations and saving time. The crucial points are clearly outlined, as are the difficulties encountered and how they were overcome. Ugitech naturally offers to share its own feedback experiences and work dynamics. It's a network approach that allows us to share the best approaches, each company or site having worked in depth on certain subjects that were priorities for them.

In addition, a shared global vision of HSSE business approaches enables us to keep abreast of progress and successes, and to assess the limitations of certain approaches.

Future actions

For this new year, we want to:

- Continue our action plan on lifting equipment.
- Implement an in-depth approach to safety culture and behavior, to mobilize stakeholders and anchor better practices.
- Obtain ISO 45001 certification for our process-based Health Safety Ergonomics management.
- Engage the Ugine melting shop in the GESiM safety challenge for a final in 2025.
- Continue to develop the skills of our teams, both operators and supervisors.
- Develop the ability to analyze and step back from risks.
- Encourage our sites to share their solutions and ideas, so that HSE is at the heart of everything we do.



Performance monitoring

Lost-time injury frequency rate
(LTIFR) *

2023

13,2

2022

3

Quality of Life at Work Index

2021

63 %

2018

62 %

*The definition of LTI (Lost Time Injury) used by Ugitech has been established to consider differences in regulations specific to each country hosting a production unit.

The a priori French translation of LTI as "Work-related injury with lost time" does not correspond to the realities of French, European or extra-European definitions in each country. Indeed, the recognition of an accident varies from one country to another, depending on the length of absence, the extent of care required, the ability to set up modified workstations or the possibility of identifying corrective actions in line with their own regulations.

To give meaning and consistency to Ugitech's results, and in order to be able to compare them with the results of the SSG Group's other international entities, we consider that lost-time accidents officially classified as LTI must:

- be linked to the industrial activity itself (interaction with a production facility, tooling, processed product or handling equipment falling within the scope of the job's missions, excluding actions not specific to the trade),
- generate one or more days' absence from work consecutive to the day of the accident,
- not being able to benefit from a modified workstation,
- significant care (invasive, immobilization, etc.).

All Ugitech sites, i.e. Ugitech sa Ugitech Italia Srl, Ugitech T.F.A. Srl, SMEZ GmbH and Ugi'Ring, are included in this indicator. Ugitech employees (under all types of contract) and temporary workers are also included, thus broadening the scope. Beyond the need for international consistency, this specific indicator and the perimeters considered reveal the accidentology specific to our industrial activities. All accidents are reported in the appropriate manner in each country, in accordance with local regulations.

Attractiveness and equal opportunities

Defining the issue

Ugitech, as the leading 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 local communities.

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

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

At the same time, it's important to be in tune with our environment and to have a good grasp of the jobs that are in short supply on the job market. To this end, we have deployed an employer branding strategy to attract candidates for the industrial professions of the future.

Recurring annual targets / KPIs

Gender diversity:

have **20 %** of women in the workforce

Every year:

45 apprentices
professionalization, CIFRE or VIE contracts

65 trainee schools

Quality objectives

- Promote Swiss Steel Group's employer brand through media campaigns and local initiatives.
- Structure and drive our school relations policy by initiating long-term partnerships with targeted schools.



photo shoot for employer branding campaign.

Existing shares

Despite a still uncertain economic climate, Ugitech has been able to maintain its work organization but has also pursued its efforts in terms of brand visibility. employer at to potential candidates. 43 permanent hires in 2023.



Employer branding

In 2023, Swiss Steel Group launched a project to overhaul the Group's employer brand, to be rolled out across the various entities. This work is still in progress today.

Locally, however, we have continued to bring our Ugitech employer brand to life to achieve 3 major objectives:

- Expand Ugitech's geographic reach to the public.
- Consolidate and develop our partnerships with schools and training organizations.
- Develop our recruitment communications by using new visuals and new communication channels.

The roll-out phase in several media plans began in September 2018.

In 2023, an in-depth, joint reflection process was launched with the Group's various entities to produce a new Swiss Steel Group employer brand communication plan. These discussions are still ongoing. They have already led to the pooling of our social networks via a single page for use by all Group entities.

Local deployment of the employer brand

Locally, we were able to take part in several initiatives to further promote our employer brand locally. We took part in several job and work-study recruitment forums organized by schools and local authorities in our area.

The UIMM also enabled us to take part once again in the Carrefour des Métiers d'Albertville, to promote the industrial professions to young people. This event gives local secondary school students the opportunity to find out about careers and vocational training, to help them decide on their future career path.

ELLES DE LA MÉTALLURGIE



A number of public events organized this year have enabled us to renew contact with local populations, so that young and old alike can discover our business. Such is the case with the Fête de la Science, in which we take part every two years.

Engineers and research technicians from our UGINE Research and Development Center were on hand for a weekend of experiments in stainless steel metallurgy in Chambéry. As part of the event, we were also able to offer two tours of our industrial site to the public (40 people).

In addition, since the end of 2022, Ugitech has been a proud member of the *Les entreprises s'engagent en faveur de l'accès à l'emploi* club. This community was launched by the President of the Republic in July 2018, with the aim of strengthening and perpetuating the link between the State and Business in favor of employment for all publics. This has led us to participate in around ten actions over the course of 2023 on various themes: disability, gender equality, youth policy...

In May, we took part in a reverse job dating event in Chambéry: candidates ask the companies their questions, then the companies "sell" themselves to the candidates.

In 2023, Ugitech is committed to promoting gender equality through a new agreement on professional equality, disability and arduous work. The subject of parity involves recruitment in particular. To this end, we have taken part in a number of events designed to reflect on and promote the industry and metallurgy sector among women.

In March, we took part in a round-table discussion entitled *Oser l'industrie*, organized by the UIMM de l'Ain and employment agencies around Bourg-en-Bresse. Dedicated to women candidates, this morning event enabled the region's industries to present their professions and discuss with people motivated to join them.

In September, we also responded to a request from the CFE- CGC Métallurgie to take part in a round table organized by "Les Elles de la Métallurgie". This organization brings together women from this union across France. We had a rich exchange of views with the various people present and the outside guests, on the themes of the attractiveness of the metallurgy professions and the retention of our employees.

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

Our recruitment strategy

To meet our needs, and given the tightness of our job pools, we implement multiple and diversified recruitment solutions.

Hosted interim solution

Target: profiles close to industry.

Challenges: responsiveness to changing customer needs, non-critical jobs.

Direct recruitment solution on permanent contracts

Target: trained and highly experienced profiles in industry.

Challenges: fill critical jobs with qualified personnel.

Apprenticeship recruitment solution

Target: profiles trained by us.

Challenges: anticipating our needs by building a pool of talent, loyalty and employer branding.

How: apprenticeship contract.

Recruitment solution with certification training for external audiences

Target: profiles with little experience of the industry.

Challenges: anticipation of business volume, non-critical jobs.

How: selection using the Simulation Recruitment Method, professionalization contract leading to a CQPM (Certificate of Parity Qualification in Metallurgy).

One person who had never worked in the industry was able to take part in this training course to obtain a CQPM in 2023 via our hosted temping agency.

Recruitment solution for jobs in short supply through training leading to certification for internal and/or external clients

Target: profiles undergoing retraining.

Challenges: répondre à des besoins sur des métiers en tension.

How: meet needs in short-staffed trades. How: professionalization contract or training period leading to a CQPM (Certificate of Parity Qualification in Metallurgy).

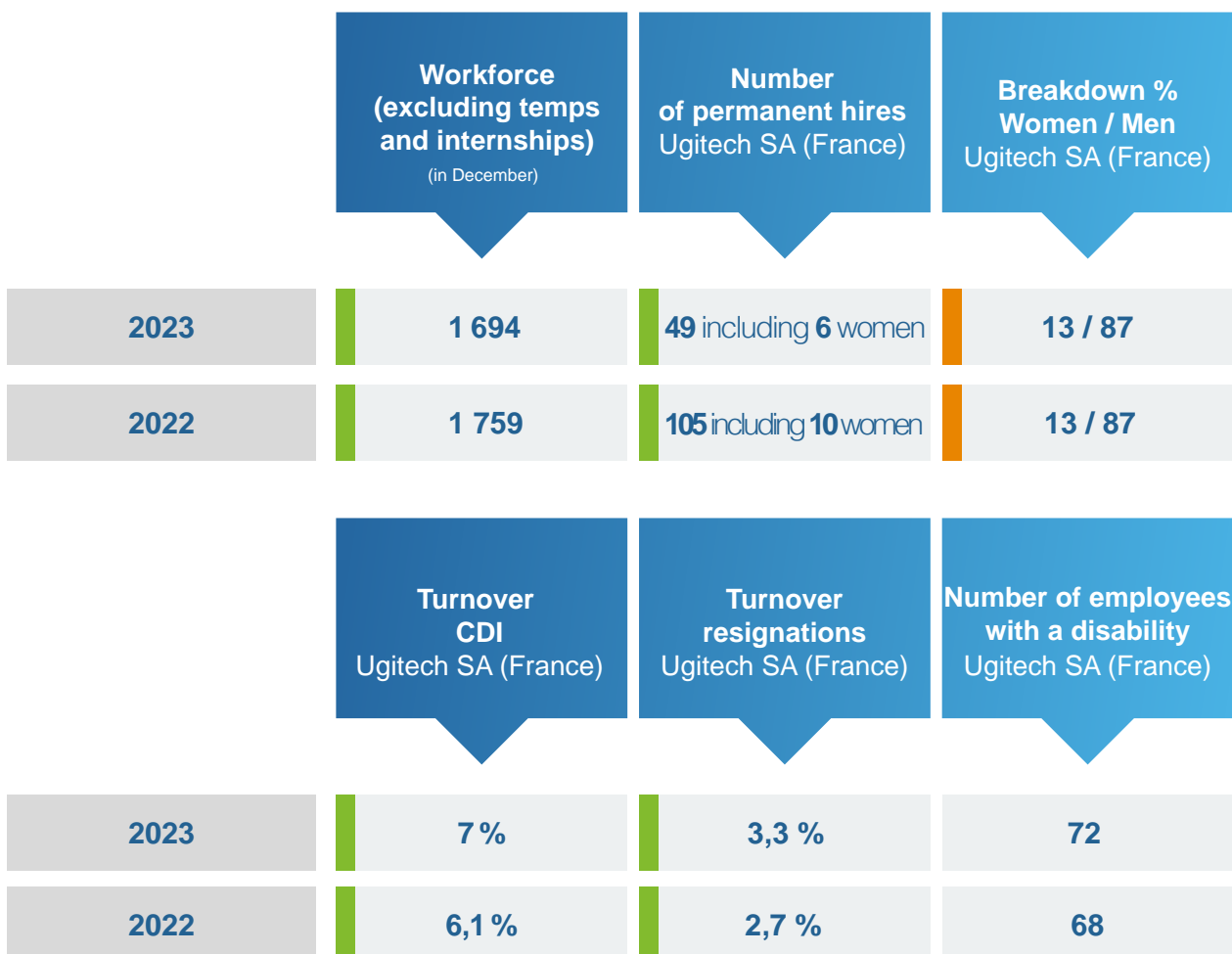
A group of five people will start this course in 2023, with the aim of obtaining a CQPM Industrial Maintenance Operator qualification.



Future actions

- Continuing to roll out Ugitech's employer brand and reach across all our sites, thanks to a new campaign initiated by the Group.
- Maintain the development of a pool of operators, in particular through training leading to certification.
- To perpetuate the organization of an in-house training program to help our employees develop their skills in jobs in short supply.

Performance monitoring





Youth policy and long-lasting school partnerships

Despite the difficult economic climate, we are determined to continue welcoming young people to our facilities. We confirmed our commitment to youth employment initiated in 2017.

Attracting and retaining young talent remains a strategic challenge for the coming years.

Recurring annual targets / KPIs

Every year:

45 apprentices

professionalization contracts, CIFRE or LIFE

65 trainee schools

The aim of our Youth Policy is to meet our skills needs by hiring the best talent at the end of training periods, focusing on 4 key areas:

- Strengthen our partnerships with historical associations and develop new relationships with target schools.
- Maintain a policy of taking on trainees, in terms of both volume and quality (at all levels), to meet the real needs of our departments. We are focusing on our short-staffed professions.
- Maintain and reinforce an ambitious policy of welcoming work-study students in order to:
 - Play an active role in training young people for careers in industry, as part of our commitment to society.
 - Take on a significant number of work-study students in France, in maintenance, production and support functions.
- Promote this pool of young talent: integration day for work-study students and the Office for Work-Study Students / Interns to create dedicated events throughout the year.



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

- the signing of letters of commitment to take on trainees and work-study students with the Lycée des métiers des Sciences et des Techniques de l'Industrie and the Lycée René Perrin in Ugine (73) (high school board member),
- membership of the Association Alptitude des classes préparatoires du lycée Berthollet,
- membership and involvement on the Board of Directors and Executive Committee of the Club des Entreprises de l'Université de Savoie Mont-Blanc,
- involvement as a member of the AFPMA de l'Ain Board of Directors,
- presence at numerous job fairs and open days,
- commitment to the Board of Directors of the CFAI de la Motte Servolex,
- integration into the office of the Mission Locale Jeunes d'Albertville,
- the signing of a partnership with the CGénial Foundation.

We offer a wide range of activities for young people, including visits to our production site, taking part in courses and conferences, and simulating business school and job interviews.

We also take part in numerous job dating events organized by or with our partner schools and organizations. Our aim is to make ourselves known to young people, to exchange ideas with them, but also to give a chance to all those interested in an internship or work-study placement with us.

Satisfaction survey 2023

Ugitech has once again been awarded the "Best Trainee Experience" label by Speak And Act in 2023.

Our ranking has improved and we are now in the TOP Top 10 companies rated by interns and alternates, with an average satisfaction score of 4.18 / 5, up on last year.



Diversifying and differentiating 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 in-house talent, we have implemented a talent, job and skills management tool: Talentsoft. This tool enables us to instantly disseminate all our available job offers to employees seeking mobility.

An enduring partnership with secondary schools and universities

Ugitech, like industry in general, has a poor image, particularly among young people. The challenge is clear: to increase our attractiveness by raising awareness of our professions and our company, both at the Ugine site and at our regional sites.

Recurring annual targets / KPIs

Regular school visits:

between **30** and **45** per year

Quality objectives

- Raising awareness of our company and our professions to encourage vocations among schoolchildren in the broadest sense of the term.
- Forge long-term partnerships with schools in our employment catchment areas.

Existing shares

Our ambassadors, and also our employees, are very active in the field:

- creation of mini companies at the college,
- simulated job interviews in high schools and BTS classes,
- BTS and VAE jury,
- presentation of companies and professions, simulated interviews (project carried out with the region),
- joint work on partnership projects between Ugitech and the town of Ugine.

Thanks to our Ambassadors

The Ugitech Ambassadors Association has been in existence for 8 years. This association brings together around thirty young retirees from the company who are keen to stay in touch with the world of work. Their role is to represent Ugitech at various high school and university events, but above all to respond favorably to requests to visit the Ugine industrial site. This enables us to open up our company not only to schools, but also to economic and institutional associations...

The actions and visits of our ambassadors have resumed a normal rhythm after the strong impact of the pandemic and the accident of 2022.



No fewer than 17 tours for a total of 400 visitors were organized in 2023.

That's almost 70 half-days of mobilization for our committed ambassadors. The majority of visitors came from the neighbouring Savoie and Grenoble Academy regions.

However, a few exceptions added an international dimension to these encounters, such as the presence of Hungarian teachers as part of the Erasmus program, and a German class from a Fachhochschule in partnership with the Lycée René Perrin in Ugine. Through their dedication, these ambassadors are helping to reveal to future generations the realities and diverse professions of industry.

To broaden the target audience

Ugitech is now a partner of the CGénial Foundation, which aims to promote technical professions among secondary school students.

We participate mainly through two types of action:

- visit of six teachers to our company, to help them communicate to young people the reality of our professions and the interests they can find in them,
- the presence of our engineers and technicians in classrooms to talk about their professions and encourage young people to take up their careers.

As a potential recruiter

We regularly communicate the fact that the company is recruiting.

Ugitech is a member of the Club Entreprises de l'Université Savoie Mont-Blanc. This not only gives the company real visibility with students, but also helps to forge and strengthen links between Ugitech and the academic world. To consolidate these links, we regularly take part in initiatives with our target schools, such as the Université Savoie Mont Blanc's business week.

We were able to present our company to around 100 students from our target fields of study thanks to our stand in the Business Village.

The Lycée René Perrin in Ugine - as one of our long-standing partners - offered to host a conference on our decarbonization strategy during its "Partners' Day".

It was held in front of an audience of local business representatives, teachers, and a few students.

At Ugitech's Sustainable Development Day, the UIMM helped us set up a stand to explain to our employees the importance of employer-brand communication about the industrial professions to the general public.



Encouraged by the strong recruitment needs 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 UIMM Savoie, has set up a training center in Frontenex. The aim is to help local companies find qualified personnel to meet their needs. Ugitech has been a partner of the Fab'Academie since autumn 2022, with one person in training for the machining trade, who obtained his certification in 2023.

Future actions

- Maintain the ambassadors' actions and reinforce them by the Recruitment and Employer Brand Manager.
- Roll out our school relations strategy, listing all our actions throughout the year.
- Represent Ugitech at meetings with students: job presentations, career paths, forums...
- 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 Ugitech SA (France)	Average number of apprentices Ugitech SA (France)	Distribution % of total apprentices women/men Ugitech SA (France)
2023	17	29	12 / 88
2022	8	35	14 / 86

Social dialogue

Defining the issue

Promote a responsible social dialogue that ensures a balance between social progress and economic performance, remaining at the heart of the company's social challenges and economic activity.

Quality 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, constructive relations with employee representative bodies based on recognition, legitimacy, and mutual respect.
- Building on the relationship between Managers/Employee representatives/Reinforced employees
- Increase employee satisfaction.

Existing shares

Revolutionizing the social regulatory framework

The year 2023 was marked by preparations for the deployment of a new social regulatory framework generated by the new collective bargaining agreement for the metallurgy industry, which comes into force on January 1st, 2024.

In particular, the new regulations revolutionize Ugitech's classification structure.

The deployment of this new classification was carried out in consultation with employee representatives.

Deployment of a new classification system

The new national collective bargaining agreement for the metallurgy industry of February 7th, 2022, which came into force on January 1st, 2024, requires all companies in the sector to describe and classify all their jobs according to a method established jointly and within a defined timeframe.

At national level, the trade unions and the UIMM have developed a number of tools for deploying this methodology at local level:

- job analysis framework,
- glossary,
- grading grid,
- educational joint guide.

This was the first classification method to be established on a parity basis in the metallurgy sector.



Class'Ugitech

Given the scale of the changes ahead, the representative trade unions and management agreed very early on to support the roll-out of this new classification. This led to the signature of a company-wide agreement defining the various stages of the Class'Ugitech 2024 project.

On May 19th, 2022, the four representative trade unions and management signed an agreement on the terms and conditions of deployment at Ugitech SA.

This agreement:

- is a summary of the various stages in the method defined at national level,
- decides to structure it around a clearly identified project team,
- defines a job description template specific to the company and in line with its challenges,
- involves staff representatives in voluntary working groups, to list the various significant activities involved in producing these sheets.

This description of the company's jobs was a key stage in the method. It was on this basis that jobs were rated in accordance with the joint job analysis reference framework and the associated joint glossary.

At Ugitech, the social partners and management wanted to involve employees in the description of their jobs, so that it corresponds as closely as possible to reality, and so that the resulting classification is an exact reflection of it.

Meetings with volunteer employees were organized throughout the year to describe the company's jobs.



The May 19th, 2022 agreement also provided for the setting up of a quarterly monitoring committee to keep signatories regularly informed of progress on key stages of the project.

The purpose of these commissions was to:

- share the list of jobs,
- present job descriptions by department,
- report on employee feedback on job descriptions and any adjustments made,
- share job classification,
- share the various communications made to employees throughout the project, prior to distribution.

Seven follow-up commissions were organized between July 22nd, 2022 and November 17th, 2023.

A new monitoring committee is already scheduled for February 2nd, 2024, to take stock of the deployment of the new classification.

Preventing disputes

Lastly, the May 19th, 2022 agreement provided for the creation of a joint dispute prevention commission.

Composed of one representative per signatory union organization, it was tasked with preventing, as far as possible, any potential legal disputes concerning the job description and resulting classification. This commission must meet whenever a disagreement cannot be resolved, and the employee intends to take the matter to court.

As 2023 has been entirely dedicated to the roll-out of the project, the first dispute prevention commission will meet in the first quarter of 2024.

Lastly, each employee was informed of the new job classification. It provides answers to requests for clarification as to the degree retained for each classifying criterion of the analysis framework used to determine the job rating.

The quality of social dialogue at Ugitech has enabled collaborative and participative work between management and trade unions throughout the deployment of this major project. This contributed to the quality and objectivity of the job description process. It also enabled employees to better understand the profound changes brought about by this new job classification.

A profound overhaul of our social rules

This new collective agreement defines new, identical social rules for all Ugitech sites. These multiple impacts are an opportunity to challenge the social rules in force in order to meet both Ugitech's operating needs and employees' aspirations in a difficult economic context.

Initially, management and the social partners shared the main impacts of this new agreement, both for employees and for the company. The aim of the discussions was to find solutions that would reduce these impacts without jeopardizing the company's future. This resulted in an agreement submitted to the trade unions for signature at the end of 2023. It aims to:

- offset certain impacts,
- harmonize certain social rules within Ugitech (challenged by the new collective bargaining agreement for the metallurgy industry),
- provide professional support for employees who change status as a result of their new classification, by offering them specific training.

Secondly, as the agreement on the organization and management of working hours came to an end, its renegotiation was also an opportunity to adapt our working time organization methods. The aim was to incorporate the provisions of the new collective agreement, while taking into account employees' aspirations.

Major changes have been proposed for telecommuting and flexitime management, to make these ways of organizing working time more flexible.

Renewal of Social and Economic Committees

The year 2023 was marked by the renewal of the first Social and Economic Committees (CSE) set up 4 years earlier. To mark the occasion, management and employee representatives decided to renew the electronic voting system, making it easier for all employees to cast their votes.

Information meetings were held for all employees. They were made aware of the role of this body, as well as the stakes of these elections for them, for the trade unions and for the company.

The result was a slight improvement in employee participation.

Professional equality

The gender equality index in 2023 is : 84/100.

A new agreement on professional equality between men and women, the prevention of arduous work and the management of disability was signed on May 16th, 2023.

In the area of professional equality, management and employee representatives have decided to build on existing initiatives.

In terms of hiring, the challenge is to remove the obstacles to integration, so as to integrate more women into the production and maintenance professions. This means continuing to improve working conditions by making jobs more adaptable to as many people as possible, in conjunction with the prevention of arduous working conditions.

Handicap management

For several years, Ugitech has been committed to maintaining the employment of disabled people.

To achieve this, it is essential to change cultural representations of disability. This requires the implementation of a disability-related action plan involving all levels of the company: management, supervisors, employee representatives and employees.

In May 2023, three of the company's four representative trade union organizations signed the Gender Equality / Hardship / Disability agreement. It proposes a new three-year disability action plan with the following ambitions:

- change the way disability is viewed within the company,
- adopting the right posture (for managers, teams and people with disabilities),
- promote diversity within the company.

To support this ambition, we designed, built and deployed a training program on diversity in the broadest sense. In 2023, 331 employees were involved.

After setting out the legal framework and then the context for diversity and inclusion, we identified the right conditions for a diversity policy.

Themes such as intergenerational,

intercultural, disability and different types of harassment were presented and discussed. The feedback was very positive. They encourage us to pursue this deployment, which should involve all the company's employees in the years to come.

Participation in disability initiatives

For the first time, we took part in the Activ Challenge, an inter-company competition organized by Agefiph. It enables companies to challenge each other on questions relating to knowledge of disability. This type of challenge is beneficial on several levels: for raising awareness of disability, for internal mobilization, and for the spirit of fun and teamwork.

To energize the disability approach, we have set up a monthly meeting with all those involved in disability issues (the Health Department, our service provider Cap Emploi, the sector HR managers, the social worker and the ergonomist).

As a result, files move forward more quickly, and we gain in efficiency when it comes to work-related accommodations. Starting in 2024, we have decided to broaden the scope of these monthly meetings to include maintaining.

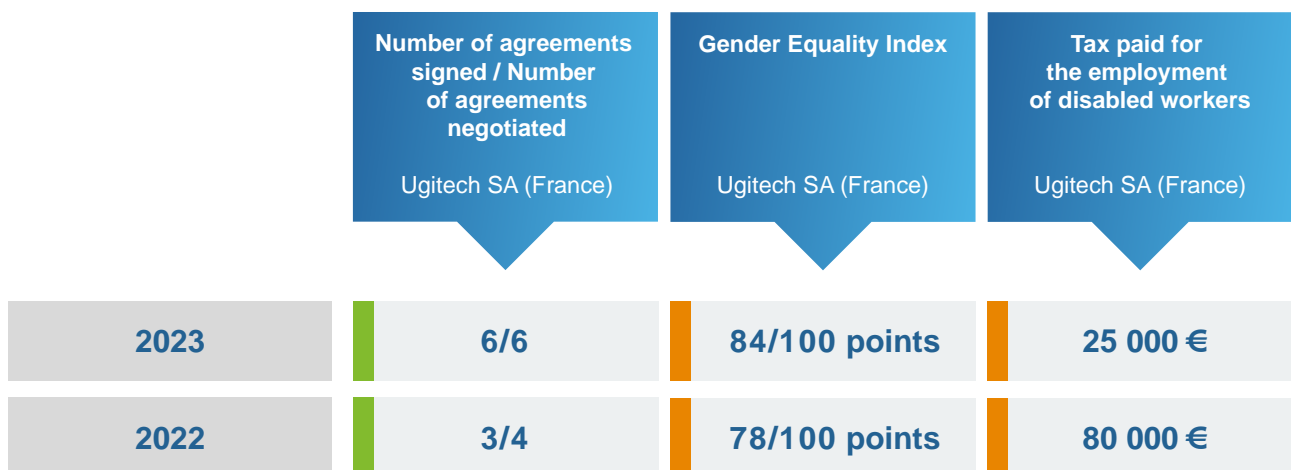
In the broadest sense of the term, and thus improve support for employees returning from long-term illness.

To continue our progress in this area, we have set up a group to share best practices with three companies in the Deux Savoie region. We meet once a quarter.

Finally, we have created a document for all company employees, containing information on disability: the different types of disability, contacts within the company for support, and how to broaden one's knowledge on the subject.

Future actions

- Pursue the adaptation of our operations made necessary by the implementation of the new collective bargaining agreement within Ugitech, by defining with employee representatives new processes for enhancing skills.
- Challenge our employee savings and profit-sharing schemes to offer employees even more effective solutions, integrating eco-responsible concerns in line with the company's strategy.
- Following the introduction of the Socio-Economic Committees, draw up an initial assessment of the operation of these bodies, and adapt their operating methods and resources if necessary.
- Pursue the implementation of new initiatives defined with employee representatives in the areas of hardship prevention, disability management and professional equality between men and women, in order to contribute to improving the quality of life at work for employees.



Skills development and access to training

Defining the issue

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

It's what sets us apart from our competitors and makes us 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-related constraints.

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

It should enable us to anticipate foreseeable changes in jobs and skills in line with Ugitech's strategy, defined in multi-year plans.

Quality objectives

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

Existing shares

Job and career management action plan

In 2023, we pursued the deployment of an ambitious action plan initiated in 2020, stemming from our Employment and Career Management (GEPP) agreement signed by two Trade Union Organizations (OS).

These actions include

- Planning the organization of jobs and skills. This involves anticipating our needs in terms of the jobs and skills required to achieve our strategic objectives.
- The introduction of a job mapping system. The aim is to promote transparency about existing positions and internal mobility.
- Standardization of on-the-job training initiatives and implementation of an associated methodology.
- Deployment of the various modules of our HR Information System (Talentsoft), in particular the Recruitment module with an integrated job exchange, the Training / E-learning module and the Annual Interview module.

As the GEPP agreement is due to expire at the beginning of 2024, negotiations have begun with all the representative trade unions within Ugitech, at the end of 2023, to prepare the proposal of a new agreement that will enable us to meet the next challenges in terms of organization and skills management.

Skills Development Plan

Ugitech sees 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 know-how and develop skills.

Recurring annual targets / KPIs

Our goal is to invest at least

3% of our payroll
in the training budget

In 2023, we were once again confronted with a series of unfavorable events in our economic and geopolitical environments, which had a significant impact on the decline in our business. This context obliged us to define and deploy a series of measures to adapt our activities to this situation, and this will continue into the first months of 2024.

Among all the adaptation measures, the skills development plan is a major lever. This is our corporate commitment. In this context, we would like to pay tribute to the efforts of everyone - the Training Department, HR teams and in-house trainers - who have made it possible to propose and implement training schedules of professional quality over several weeks in 2023. This is a collective contribution to the service of our customers and internal stakeholders.

Our skills development strategy responds to contradictory injunctions. It enables our organizations to adapt their skills to the current context, but also to prepare for the future. Ugitech's challenges are many and varied:

- More than ever, health and safety are at the heart of our priorities. And this by continuing to collectively question our organizational practices and individual behaviors, while respecting basic rules and conditions.

- Continue to consolidate our business know-how. And this, by reinforcing the quality of our transmission processes through training engineering where appropriate. All this while continuing to develop versatility and the transfer of skills between workshops or sites.
- Continue to support our managers as their roles evolve in a rapidly changing economic and organizational context.
- Define, for each of our business areas, the challenges, impacts and concrete skills requirements for the future of our company in major areas such as the ecological transition and digital transformation.

2023: a year with high stakes for training

In the context described above, an internal training program was set up to train many employees over a short period. Two training periods dedicated to production staff were held in January and March at our Ugine site, as well as at other sites throughout the year.

The training programs integrated a complementary mix of job-specific and cross-functional training. As a result, we have been able to train our production staff in courses that were previously difficult to implement for this population. Examples of cross-functional training programs: Diversity awareness, Taking responsibility for safety, Discovering the new classification, Knowing how to use IT tools (time management and intranet), Preparing for the annual appraisal interview, Product knowledge, Market knowledge.

The drop in activity also affected the support function teams. Training days were also organized in September. In addition to the programs already in place for production staff, a specific climate and climate fresco day was organized.





At the heart of our strategy, decarbonization involves raising awareness among our employees. To go beyond the information received by 100 % of employees during the induction course, Ugitech is deploying the collective intelligence workshops of the Climate Fresco. Eight employees have been trained to run these workshops and have joined the community of fresco artists.

A first day dedicated to the climate took place in 2023, when 56 people took part in a climate fresco. In addition, a specific module on the environment, climate and energy for Ugitech was developed and offered during this day. The day was punctuated by a conference open to all employees, organized by the association "The shifters". A packed house for this event, which promises more climate days in 2024.

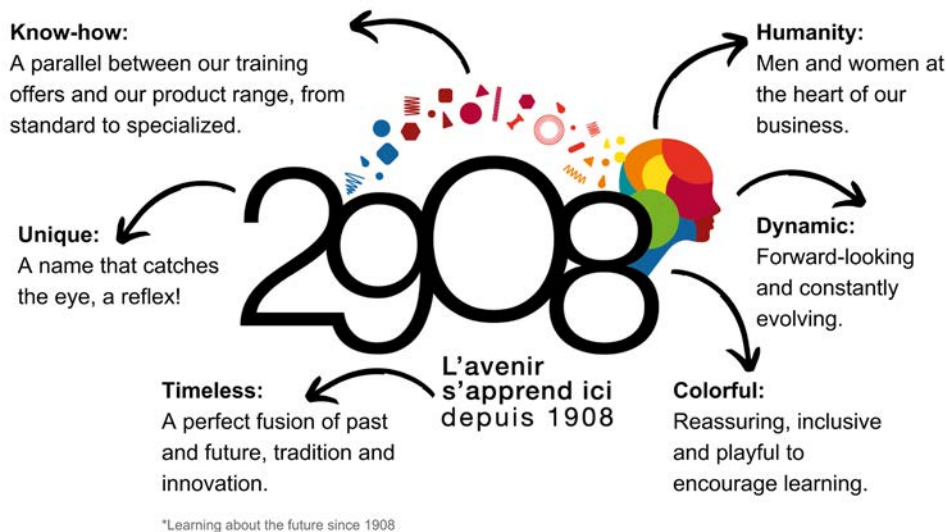
In 2023, we trained a large number of employees while guaranteeing the quality of our training courses. We relied mainly on our team of in-house trainers to optimize training costs, and also trained other employees to enable us to internalize certain training courses.

26,350 hours of training were provided under the Skills Development Plan in 2023.

Training orientations are defined in line with the CAP 2025 corporate strategy:

- health and safety: in particular, regulatory training and training on machine conformity,
- integration of new recruits and support for internal mobility to enable them to become operational as quickly as possible and under the best possible conditions,
- developing the business skills of existing employees, so that they can integrate the necessary changes brought about by the investments made in their sectors, but also prepare for tomorrow's changes and the move to other businesses,
- management: to help managers better support their teams and projects,
- digital transition: to help all staff get to grips with the new tools,
- a commitment to the environment, integrating the principles of eco-responsibility by contributing to the sustainability of natural resources and climate protection.

Induction training sessions for new recruits continue to be organized, enabling us to pass on the Group's values to our most recent recruits.



Deployment of an in-house school

Ugitech has decided to create its own in-house school to meet its specific business needs. The mastery and transmission of know-how are important issues for Ugitech.

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

- a career as a team leader,
- an Autonomous Industrial Production Operator course,
- an Internal Trainer course,
- a Passage Cadre course,
- a machinist course,
- a Maintenance Operator course.

All these courses lead to official certification: Certificate of Parity Qualification in Metallurgy or Certificate of Competence in the Company.

Around 175 in-house training modules are offered in areas such as continuous improvement, health and safety, business techniques, management and communication.

To help our in-house trainers develop their skills, a certification course has been in place since 2019, with 14 already certified.

The aim of this approach is to identify and enhance the skills of our in-house trainers, and to support their development. Three other trainers were certified in 2023.

The process will continue in 2024.

For 2024, new career paths should appear as part of the development of our Ugi'ring subsidiary's business, as well as in shortage areas.

Focus on the school's new visual identity

On June 7th, 2023, all those involved in the creation and life of Ugitech's in-house school gathered at the Ugine site. The reason? To unveil the school's new name and celebrate the winners of the various training courses.

On this occasion, we took a closer look at the challenges involved in setting up this in-house school:

- training in our professions is rare,
- training is non-existent for stainless steel specifics,
- training courses enable us to recruit profiles that are sometimes far removed from the world of industry, and to broaden our talent pool,
- they enable us to transfer know-how and maintain a high level of skills,
- by forming, we contribute to the attractiveness of the employer brand.

2908 refers to a historic year... The creation of Forges et Acières Électriques Paul Girod in 1908!

This name is accompanied by a visual identity that reflects the energy and values that drive this in-house school.

The framework defined and validated by the Management Committee several years ago has remained the DNA of the Internal School project, which is part of our CAP 2025 strategy. This shows just how important the transmission of our know-how is within Ugitech.

We are convinced that this new identity will increase our visibility, enable us to attract new candidates, ensure the capitalization of our knowledge and the development of our employees' skills, and quite simply enable Ugitech to secure its future... why not, until 2908!

Zoom in on the two new routes to be introduced in 2023

Training courses for maintenance professions

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

To alleviate our recruitment difficulties, we have set up a CQPM Industrial Maintenance Operator training course. This was carried out in partnership with AFPI Savoie (UIMM training center) and GEIQ Industries Savoie (Employers Association).

Our aim was to create a group of people with no qualifications in the maintenance field, so that they could follow a one-year sandwich course to obtain a certificate and then join our teams on permanent contracts.

This project, initially intended to be shared with other companies, ended up as a 100 % Ugitech promotion, due to a lack of candidates from other companies. As a result, four external people with varied profiles, as well as an employee from our Rolling mill team, joined the course.

After a year's training, they will receive their certification in early 2024.

The success of this first course has prompted us to organize a new promotion. We have once again consulted other companies in our employment area, who are keen to join us in this project. Recruitment will take place in January and February 2024, with the course starting in March of the same year.

Our ambition is to repeat this type of training every year.

Usineur training course with Fab'Academie

In 2022, AFPI Savoie will launch a training center for adults in industrial trades, based in Frontenex.

The aim is to train people for jobs that are in short supply and 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 were able to upgrade the skills of one of our employees on a machinist's course to meet a recruitment need. This employee obtained his certification in 2023 after 1 year's training. We may also consider further training and recruitment in the future, for boilermaker jobs.

Managerial culture component

Managerial culture can be defined as the ways of being and acting shared within a group of managers, contributing to its stability and coherence.

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 team spirit and commitment.

The aim of the managerial culture approach is to create a common language and common points of reference for all Ugitech managers.

The success of our company depends on the men and women in our teams. Our management culture is a differentiating factor in achieving our strategic objectives.

That's why Ugitech has set up this approach to anchor a shared culture and define a set of common benchmarks to better understand our VUCA (Volatile, Uncertain, Complex and Ambiguous) environment and better manage the contradictions and day-to-day difficulties faced by our managers.



Ugitech's managerial positions are :

- remain agile and innovative to adapt continuously in a fast-moving world,
- trust each other through greater delegation/subsidiarity to be more effective,
- giving meaning and working across the board,
- be both demanding and benevolent in ensuring our performance, with attentive listening,
- set an example by respecting rules and commitments.

The entire management line benefits from Journées Culture Managériale, which are organized around 3 workshops:

- 1.** Workshop dedicated to managerial postures and our alignment, in order to take ownership of decisions and directions, increase managerial alignment and solidarity, and foster proximity between managerial strata.
- 2.** Skills workshop, to discover new managerial tools and know-how, review the basics and practice putting them into practice.
- 3.** Co-Development workshop, to encourage direct exchange between Managers, break the feeling of managerial solitude, learn from others and learn from others.

By 2023, all the groups involved in the process have completed the course, representing a total of more than 240 managers trained at Ugitech France.

The first three workshops are complemented by five perpetuation modules corresponding to each of the postures. By combining external contributions and in-house activities, these modules enable 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 than one!
On the second day of the Managerial Culture program, participants are invited to choose a "CARE" pair (Coaching, Accompaniment, Retour, Experience). This pair will meet throughout the Management Culture process.

The idea is to harness collective intelligence through regular feedback, thereby increasing our ability to change our managerial postures.

In 2024, the managerial culture approach will continue to build on its momentum by offering our managers a complementary training program focused on developing their softskills.

Digitization for HR development

Again, in synergy with our group, we have deployed e-learning training campaigns on the theme of Information Security.

To meet employees' training needs, and where the solution was suitable, an e-learning program was offered to learners. It will be implemented as part of the 2024 training plan.

In 2023, all managerial staff reviews were managed in digital format, using our Human Resources Information System (HRIS). After completing forms to assess the skills and potential of their staff, managers took part in "business line staff reviews". The aim is to share and calibrate views, break down barriers between teams, and ensure that succession planning needs and the potential of our employees are better considered.

Ugitech was then consolidated to validate the profiles with potential at Group level. The latter profiles will be presented to the Swiss Steel Group Board in early 2024 in a special review.

For 2024, the aim is to extend the digitalized personnel review process to the entire Technicians and Administrative Technicians and Supervisors (ATAM) population.



Future actions

- Deployment of HRIS access to all employees, including production staff.
- Implementation of e-learning to support our experts.
- Continued certification of our in-house trainers and development of an in-house trainer community.
- Setting up training courses for jobs in short supply.
- Deployment of the SoftSkills program as a complement to the Management Culture approach.
- Continued deployment of actions linked to Job and Career Management and negotiation of a new agreement.
- Internal school communication plan.

	Number of training hours Ugitech France	Average number of days training per person/year (excluding temporary workers and trainees) Ugitech France	Training : % of total payroll Ugitech France
2023	54 452 hours	3,7 days	2,0 %
2022	54 428 hours	3,8 days	2,7 %
Of which tool training			
2023	27 539 hours		
2022	24 631 hours		
Of which training in other fields			
2023	10 951 hours		
2022	19 487 hours		
Of which safety training			
2023	15 962 hours		
2022	10 310 hours		



Business relations and territory

Employee commitment

Defining the issue

Ugitech is committed to disseminating and maintaining its corporate values and culture. To this end, a number of in-house events are organized to foster a sense of belonging and raise awareness of new issues.

Recurring annual targets/KPIs

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

Quality objective

Maintaining a spirit of cohesion within Ugitech.

Actions in 2023

Ugitech was once again hit by a dramatic accident in 2023, which limited the organization of this type of event.

The "Christmas sweater" event was maintained for those who wished to share in the Christmas spirit. This initiative was shared by the group.

Nevertheless, Ugitech succeeded in organizing its first Sustainable Development Day. This internal event offered our employees 15 stands and 13 conferences to learn more about our CSR contributions.

Future actions

If the economic situation we hope to be able to organize a family day on the Brionne (Normandy) site.

A Swiss Steel Group working group is also considering two projects:

- a big breakfast,
- a sport challenge.

Ugitech would also like to renew the following actions:

- 2nd Sustainable Development Day,
- Christmas Sweater Day.



Performance monitoring

Number of internal events

2023

2

2022

1

Local communities' contributions

Defining the issue

Raise Ugitech's profile as a major player in the economic basin.

Recurring annual targets/KPIs

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

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

Quality objectives

- Raise Ugitech's profile.
- Playing a socially responsible role in our environment.

Actions in 2023

Due to the tragic accident of March 2nd, 2023, we have not carried out any specific projects with the local community. Over the years, Ugitech has built up good relations with external stakeholders, who were present and supported the company at this painful time.



Local commitment

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

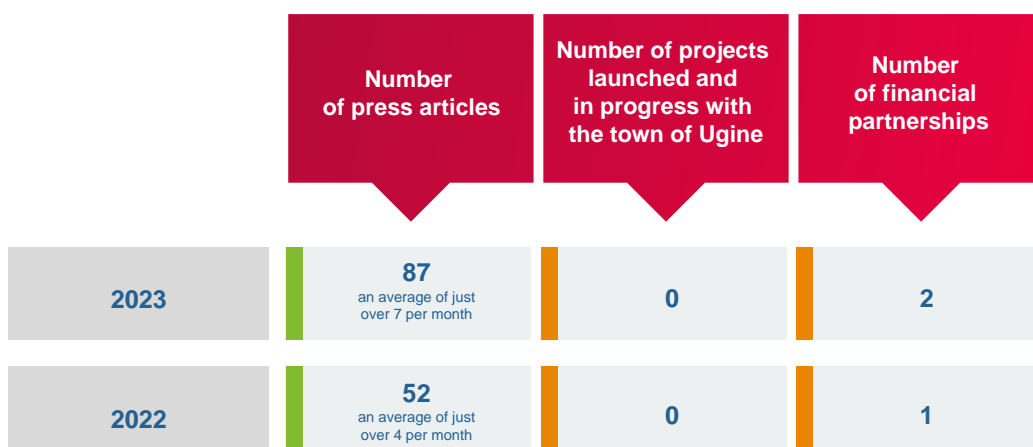
In terms of financial partnerships, we were delighted to make a donation to the Ugine fire department.

As part of the 1st Sustainable Development Day, Employer/Volunteer Fire Brigade agreements were signed between:

- Ugitech,
- a few Ugitech employees who were also in-house firefighters,
- Services Départementaux d'Incendie et de Secours (SDIS) 73 and 74.

It was also an opportunity to celebrate three new recruits.

The Association du Cercle des Amis du Rugby Albertville-Ugine also received symbolic support for the organization of an event.



Ethics and internal control

Defining 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 must never break. The consequences of transgression can be very serious, both financially and in terms of our image. We must put in place the necessary procedures and organizations to avoid any risk of violating these laws, and train and inform our staff so that they take good practices into account.

Our internal control system is a means to ensure that our internal procedures are respected. It reflects our commitment to identifying potential failures. We need to keep it alive and evolving as our business evolves.



Recurring annual
targets/KPIs

Inform **100 %**

of our staff on our Code of Conduct and provide it with the necessary means to warn a compliance failure.

Our goal is to **be free from corruption and obstruction of our staff** for a **free competition**.

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

Quality objectives

- Ensuring the company complies with all applicable regulations on corruption (Sapin II law), antitrust and conflicts of interest.
- Protecting our assets, data and know-how.
- Reinforce a shared perception and understanding of our values.

Our organization

Ugitech is part of Swiss Steel Group, a company listed on the Swiss stock exchange, which complies with Swiss reporting regulations. This includes a number of supervisory organizations:

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



Internal Audit reports to the Audit Committee to guarantee the independence of the reporting process, and the ICS is regularly audited by internal and external audit teams.

To reinforce control, a whistle-blowing hotline is in place, guaranteeing the security and freedom of all employees and third parties to report any breaches of the Code of Conduct.

The Swiss Steel Group has a Compliance Department at the service of all its entities. This department focuses on preventing any breach of current laws and regulations in terms of ethics. Compliance's main task is to implement a Compliance Management System that meets the company's requirements in relation to its environment, and to roll it out to 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 area of responsibility.

Together, they provide the Group Compliance Department with the support it needs to implement the Compliance program.

They provide local expertise in the creation and adaptation of internal guidelines.

Information and working meetings are held quarterly between the Group Compliance Department and local Compliance Officers, and between the local and Group Compliance departments also work closely with the

International Transport Department on monthly committees. They ensure that our import and export controls comply with current laws and regulations on sanctions and embargoes, particularly in the wake of recent geopolitical events.

Code of Conduct

It includes all the principles of the United Nations Global Compact and the OECD guidelines. It sets out the standards expected internally and from our supply chain to ensure respect for local and international laws and human rights within the Group and our supply chain: child labor, forced labor, rights of association, discrimination (gender, politics, religion), health and safety working conditions. It also deals with the management of conflicts of interest, the prevention of corruption (bribes, gifts, hospitality, sponsorships, donations, etc.), antitrust violations and 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. The Code of Conduct was updated in 2023 and validated by Group Management at the end of the year. It will be communicated to all employees and available on our website in early 2024. Since 2019 a specific Code of Conduct for suppliers has been in place. Strategic suppliers are asked to commit to comply with it. It will also be reviewed during 2024.

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

These documents 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.

Our anti-corruption policy has been updated and rolled out to all employees in June 2023. It includes our policy on gifts and invitations, and donations and sponsorships, with the introduction of a register.

Compliance Charter

It describes the principles on which the Compliance Officer acts. It was updated in 2020 to clarify everyone's role, specify the scope of its application and was renamed the "Compliance Organization Directive".

On-site and e-learning Compliance training courses

Since 2015, and in collaboration with the Swiss Steel Group, Ugitech has been training its employees about:

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

These courses combine learning with the exploration of real-life cases.

Six e-learning training modules are available to all employees concerned:

- code of conduct,
- anti-corruption,
- antitrust,
- data protection,
- fight against money laundering,
- commercial compliance.

In 2023, an extensive training campaign was carried out. A video on our Code of Conduct and our whistle-blowing system was distributed to employees posted to all our sites in France (Ugine, Bourg, Brionne, Imphy, Saint-Etienne and Grigny). Face-to-face training on our Code of Conduct, our anti-corruption policy and our whistle-blowing system has been given to employees who may meet external stakeholders (customers, suppliers or other third parties), at all our sites in France and Italy. Our sites in Germany will be similarly trained in 2024. Management at each Ugitech site, as well as certain key functions, have also received specific training on our anti-corruption measures and the Sapin II law.

A total of 1,153 people were trained in 2023.

Sites	Face to face	SAPIN II	Vidéo	Grand total
BOURG	18	1	57	76
BRIONNE	13	1	55	69
GRIGNY	5		10	15
IMPHY	15	1	44	60
SMEZ		1		1
ST ETIENNE	5	1		6
TFA	11			11
UGINE	271	13	614	898
UGITECH Italia	16	1		17
Grand total	354	19	780	1153

We are planning to train all employees who have not been trained this year, either through catch-up sessions or through a training course. e-learning for people less exposed to the risk of corruption.

Data protection

For several years now, we have been pursuing an in-depth study of data protection (GDPR) in collaboration with Swiss Steel Group. After identifying and describing the processes affected by this regulation, procedures have been put in place and communications have been carried out internally. In 2023, we set up a data risk map. Other actions are currently being rolled out and will continue in 2024.

Internal warning system

Swiss Steel Group has made available to all Ugitech staff since 2015 a means of submitting information about a breach of our ethical rules. The company's employees and third parties (customers, suppliers or other third parties) can use this professional alert system, which is accessible free of charge, 24 hours a day, 7 days a week, 365 days a year.

Speak-Up Line (internet and telephone service)

This system enables all employees and third parties 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 the platform, in their native language,
- whistleblowers can remain anonymous or not, as they choose. A new whistleblower policy was rolled out in 2022. It is freely available on the intranet. It sets out the role of the whistle-blower and his or her protection, as well as the procedure to be followed when making a whistle-blowing report. An extensive internal communications campaign (message from the Group CEO addressed to all employees, posters displayed at all sites in the most frequented places) was launched to deploy it and remind people of the means available to launch an alert, notably thanks to the Speak-Up Line.

In addition, Ugitech is concerned by the anti-corruption component of the Sapin II law, which provides for the implementation of eight measures to prevent and detect corruption:

- 1.** Code of Conduct, integrated into the internal regulations.
- 2.** Internal whistle-blowing system designed to collect reports from employees.
- 3.** Mapping of corruption risks by business sector and geographical area in which the company operates.
- 4.** Procedures for assessing the situation of customers, 1st-tier suppliers and intermediaries with regard to risk mapping.
- 5.** Internal or external accounting control procedures designed to ensure that books, records and accounts are not used to conceal corruption or influence peddling.
- 6.** A training program for the most exposed managers and staff.
- 7.** Disciplinary system enabling company employees to be punished for breaches of the Code of Conduct.
- 8.** Internal control and evaluation of measures implemented.

An in-depth study of our compliance with the Sapin II law was carried out in 2019 by a specialist service provider. The conclusions of this study led to a very favorable finding regarding our measures to combat corruption. Since then, a Working Group bringing together all Swiss Steel Group Compliance Officers concerned by this law has been set up and steered by the Group Compliance Department. Improvement actions are defined according to a roll-out program.

In 2022, a compliance risks assessment (including corruption) was mapped in a common format with Swiss Steel Group. In 2023, it was expanded to include human rights and environmental aspects, covering all our sites in France, Italy and Germany.

Our Internal Control System

As Swiss Steel Group is listed on the Swiss stock exchange, each subsidiary is required to 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 annually, and since 2019 it 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 thus comprises a matrix of internal controls. These are made up of a list of potential risks regarding 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, 136 internal controls are referenced in Ugitech's ICS, 64 more than last year.

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

In 2022, Swiss Steel Group provided all its subsidiaries with an IT tool to standardize this system. A new matrix of internal controls has been proposed, with a description of best practices for each of them. This evolution has enabled us to review our ICS in depth, and to confirm that we are well aligned with our Group. In 2023, we continued this evolution by integrating new controls, mainly in the fields of ethics, security, and information systems.

The external auditing firm EY & Associates audits Ugitech's ICS annually, verifying its existence within the company based on the annual internal update. EY & Associates also carries out specific checks with business line managers.

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

The existence of Ugitech's internal control system was validated in 2023 by an external audit firm, as it has been every year since its creation in 2008.

Cyber security for information systems

Cyber security is an essential element in the governance of our information systems.

Compliance

Ugitech's information system security guidelines are based on international standards (ISO 27000) for information security management in the broadest sense. Ugitech's information system is regularly assessed by auditing firms against the ISO standards and standards for which Ugitech is certified.

As a French company belonging to a European group, Ugitech is obliged to comply in an exemplary way with French and European regulations applicable to the industrial and telecommunications sectors.

These include, in particular:

- intellectual property and the protection of sources (copyright, Intellectual Property Code, APP procedure, etc.),
- preserving the confidentiality of commercially and technically sensitive information (customer data, HR data, customer technical configuration data, etc.),
- financial and accounting regulations (tax and accounting obligations, traceability and auditability),
- to the personal data protection obligations laid down by the regulations (GDPR).

The security of Ugitech's Information System is structured around four fundamental criteria:

- **Confidentiality:** the system's ability to restrict access to information to authorized persons only.
- **Availability:** the ability of the system to be accessed and used when necessary and by authorized actors.
- **Integrity:** the ability of the system to remain intact, accurate, uncorrupted and unaltered. This criterion can also be extended to the system's ability to provide proof of this integrity (traceability, authenticity of sender and content, etc.).
- **Traceability:** the system's ability to provide proof of this integrity by retaining traces of the status and movements of information.

Strategy

Ugitech is committed to continuous improvement in the security of its information systems. Risks are multiplying and threats are evolving rapidly. Reinforcing protection measures is vital for the company. For this reason, Ugitech draws up an annual cyber security roadmap describing the projects required to reinforce protection, as well as the processes that need to be implemented or optimized.

Ugitech also relies on the support of cyber security experts who assist us daily with sensitive and complex issues. Risk analysis are regularly carried out when new systems are set up ("cybersecurity by design"), or on historical systems, to identify risks and assess the measures to the measures to implement to better protect them.

Awareness

Ugitech employees regularly attend awareness training sessions on cyber risks and threats, and on the best practices and behavior. The large number of suspected threats reported by users is one of the key indicators that testify to the awareness training efficiency.



Future actions

- Pursue additional actions against corruption (Sapin II law). Communicate a new policy on conflicts of interest.
- Continue to verify the correct application of data protection regulations (GDPR). Implement corrective actions and continue communications on this subject.
- Continue to make compliance and ethics documentation available for better information sharing.
- Regularly train and inform our buyers and sellers about the rules and how to deal with our business partners.
- E-learning training on ethics, anti-corruption, antitrust, data protection and other compliance topics.
- Further in-depth analysis of our Internal Control System on the basis of the proposed new framework of the Group.

	Code of conduct available	Speak-up line alerts	System internal control	Convictions and fines for non-compliance
2023	100 %	3 alerts	validated	0 conviction or fine
2022	100 %	2 alerts	validated	0 conviction or fine

Responsible purchasing

Defining the issue

Responsible purchasing is crucial because of its impact on the environment, social responsibility and corporate reputation. It aims to minimize the ecological footprint by conserving resources, and to support ethical working conditions, supplier diversity and local footprints.

These practices enhance corporate reputation, reduce supply chain risks and promote sustainable savings. Compliance with legal standards and consumer expectations push companies towards responsible purchasing, contributing to a sustainable, ethical company that is active in the local fabric and competitive in the long term.

Our main areas of action are as follows:

- reduce our environmental impact and that of our partners,
- develop circular economies,
- strengthen relations with our local partners,
- support our suppliers in their quest for excellence and ensure they adhere to our ethical values.

Quality objectives

Our mission is to promote our ethical standards by encouraging our suppliers to adhere to our Code of Conduct, and by integrating elements of corporate social responsibility (CSR) into our specifications and when evaluating our suppliers.

It continues with benchmarking with our suppliers and other manufacturers, to ensure continuous improvement and the adoption of best market practices.

We pay particular attention to compliance with current standards and regulations, such as Conflict Minerals, REACH, SDS, safety protocols and prevention plans, to guarantee the safety of all stakeholders.

Relationships with our suppliers play a key role in our company's major financial and strategic challenges. It is crucial because of its impact on results in terms of quality and on-time delivery. A lasting relationship with our suppliers offers a number of advantages, including:

- anticipate and adapt quickly to events likely to disrupt our environment,
- maintain strong links with our partners and markets,
- redirect the flow of our suppliers to other Group entities or even to our solidary competitors,
- maintain a strong sense of solidarity with our various partners, enabling a role reversal between buyers and suppliers (resale of internal offcuts),
- be part of a continuous improvement relationship that can benefit all parties, enabling us to remain innovative and perform well on responsible purchasing issues.

Our partnership for the recycling and doping of our waste has been renewed within the framework of a multi-year contract. There is still room for improvement to broaden the scope of waste to be recycled.

Doping is carried out using other waste materials in compliance with regulations. This approach enables us to increase both the Nickel and Molybdenum content, thus boosting the burial rate of our recycled residues.

The Ugi'Ring project will also have a major impact on the purchasing department, enabling us to reduce our dependence on mining operators and thus drastically reduce our impact on the environment.

Energy-saving measures have been implemented with the Technical Department, such as heat recovery and the installation of variable speed drives. Several initiatives to purchase certified green energy have also been carried out.

We have established a partnership with a platform dedicated to the management and monitoring of third-party risks. This platform stores and verifies regulatory documents. It alerts the customer and reminds the supplier, when necessary, particularly with regard to economic dependence and the monitoring of undeclared work.

We have overhauled and intensified our supplier risk assessments and analyses, integrating themes focused on Corporate Social Responsibility. All our staff receive Group-wide training in the concepts of corruption and compliance (see chapter on ethics and internal control).

Ugitech works closely with its strategic suppliers to promote continuous improvement and create mutual value. This initiative is launched in particular in partnership with our strategic suppliers and takes concrete form through the implementation and monitoring of quality reviews, audits and annual assessments.

We could mention in this context:

- railcar handling with Captrain and hydrogen traction opportunities,
- the partnership with Engie Cofely for the monitoring and reduction of polluting refrigerants, as well as the reduction of our heating and air-conditioning consumption. Pressure Equipment Regulations.
- change of industrial cleaning service provider to enable continuous improvement of techniques and innovations for safety and water use,
- the partnership with HARSCO Environnement for briquetting services and slag management.

Our ambition for the years to come is to continue renewing our service contracts, while including CSR-related notions of progress.

To take this a step further, Swiss Steel Group has set up a due diligence tool to guard against the risks associated with our third parties.

In order to obtain the best possible analysis for our program, we have chosen a two-stage approach depending on the risk situation:

- reputation and sanction control,
- enhanced risk assessment.

In the first stage, the reputation and sanctions review are carried out on all business partners (management, sponsorships and donations, mergers and acquisitions, suppliers and customers) and on major transactions. The group tool checks whether a third party has a problem concerning:

- control of sanctions and embargoes,
- legal decisions taken by governments and available to the public (indictments, convictions, etc.),
- unfavorable media reports on possible wrongdoing (corruption, human rights, environment, etc.).

In a second step, an enhanced risk assessment is carried out for customers and suppliers with a particular risk profile. This is tailor-made by Swiss Steel Group, and ensures that:

- supplier risk assessment includes, but is not limited to service and/or materials provided, location, importance to our business, etc.
- customer risk assessment includes, but is not limited to industry, location, importance to our business, etc.

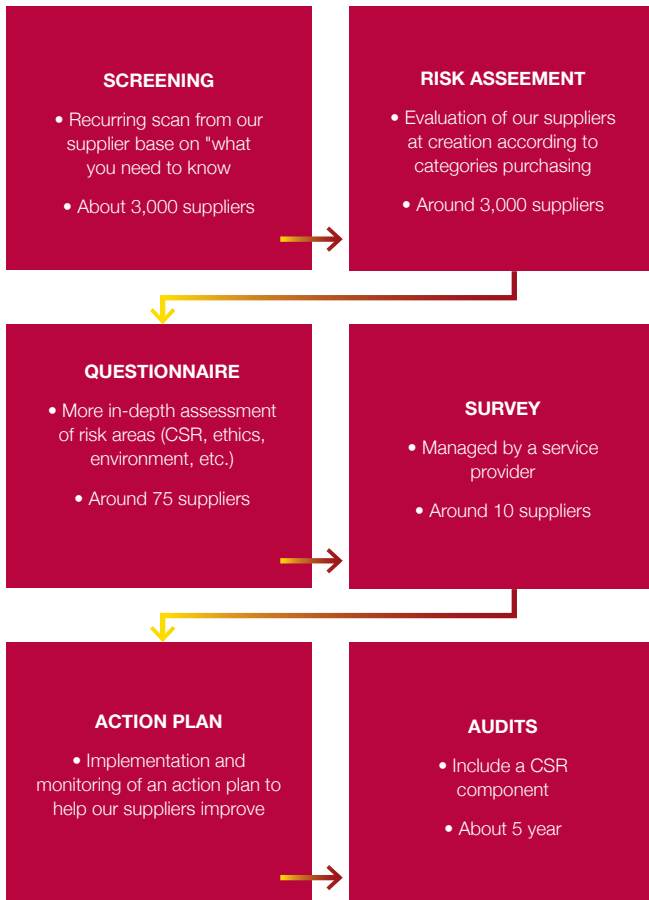
The result of the risk profile indicates the level of risk that each third party represents for Swiss Steel Group and the activity that must be carried out by our operations.

As suppliers and customers may be shared between Swiss Steel Group subsidiaries, some of these analyses may be carried out by Ugitech's sister companies. However, to ensure consistent treatment, Swiss Steel Group has published a procedure followed by all entities, which includes an escalation process in the event of problems.

Future actions

In addition to the above we intend to broaden our approach along four lines:

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



Performance monitoring

Use of bulk packaging (raw material, scrap) values received

2023

98 %

2022

98 %

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

2023

91,6 %

2022

69 %

* This indicator now considers all stocks, including those with sales of < 10,000 (previously excluded from the calculation). Previous data have been recalculated to allow comparability of results.



Taxation

Legal structure, Tax compliance, Fraud prevention

Legal structure

Ugitech SA is a public limited company based in France, with headquarters in Ugine (73).

Organization & tax legislation

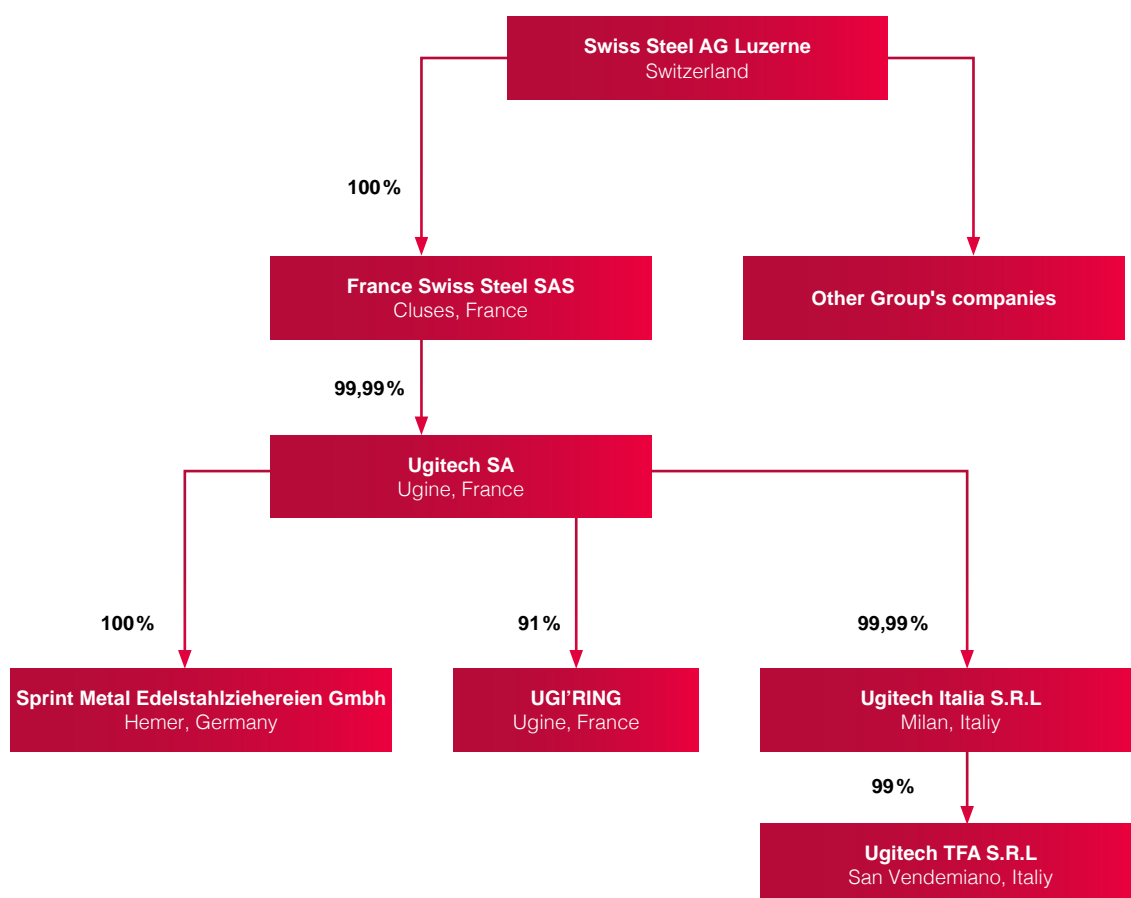
Ugitech SA has no branches or subsidiaries operating in tax-advantaged countries.

Ugitech SA does not carry out any operations abroad that would fall within the notion of permanent establishments as defined by international agreements, or by the applicable criteria defining a permanent establishment in the absence of an agreement.

Information systems & internal control

All accounting is computerized using the SAP software package.

Together with internal control, this information system organization 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 made to the information system. The dedicated internal FI-CO department handles development requirements issued by the Accounting and Tax department.

The Tax Accounting 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, thanks to the amount and quantity limits managed by the system.

Around 95% of supplier invoices are reconciled with purchase orders entered in the system.

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

Internal control ensures both compliance with current tax legislation and the protection of the company's assets and data archiving.

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

Future actions

Preparing for electronic invoicing.

Computerized accounting

How to present computerized accounting: Article L. 47 A-I of the French tax code (LPF) stipulates that taxpayers who keep their accounts using computerized systems must present them in the form of dematerialized files when audited by the tax authorities.

This accounting file must comply with codified standards.

Existing shares

FEC compliance: for each tax year, Ugitech SA ensures compliance with the standards published by the DGFIP.

Accounting & tax organization: internal control

The Accounting and Tax Department is organized around 5 main areas, covering all legal and tax obligations relating to Ugitech SA's business, all its French sites, and IFRS reporting.

The accounting department is assisted as required by external consultants.

Organization to comply with current legislation

The department ensures that the company and its employees comply with the tax laws of the countries in which it operates, and that it meets its reporting and tax payment obligations on time.

The process is as follows

- Each subsidiary is responsible for filing tax returns in accordance with local regulations.
- Each subsidiary is responsible for paying its own taxes within the deadlines set by law.
- In intra-group relations, the accounting departments of each subsidiary coordinate their activities in compliance with the rules governing intra-group relations and local obligations.
- During the Group's monthly reporting, prior to consolidation, an analysis is carried out on the amount of corporate income tax and deferred taxes.

Training & expertise

Each member of staff is an accounting and tax professional with an accounting background. Specific in-house and/or external training courses are provided to ensure that employees' knowledge is kept up to date and that they are multi-skilled.

Annual training plan

- VAT training: refresher course,
- training information: Annual Finance Act,
- regulatory watch through reference publications: RF, Éditions F. Lefebvre.

Audit & control

Scope of the audit engagement:

- the audit of the annual financial statements prepared in accordance with French accounting rules and principles,
- additional due diligence on the financial statements submitted to the parent company, Swiss Steel AG, for the preparation of its consolidated financial statements and the communication to its auditor of the information required to perform its assignment on the consolidated financial statements.

The letter of affirmation signed by the CEO and CFO is binding and attests to the quality and completeness of the information provided to the auditors. This applies in particular to 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) and the Taxe Foncière (TF) to the development of all the local authorities to which they are attached by virtue of their establishment.

The company is liable for corporate income tax (IS) in France and is attached to the Direction Générale des Grandes Entreprises (DGE) of the Direction Générale des Finances Publiques (DGFIP), based in Pantin.

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

Subsidiaries comply with local tax laws.

Significant research and development expenditure incurred by Ugitech SA is eligible for the CIR (Research Tax Credit). The CIR perimeter is managed by a cross-functional team from the Finance and Research Departments.

Tax consolidation

Since 2007, Ugitech SA has been fiscally integrated with its parent company, Swiss Steel France S.A.S., headquartered in Cluses (74).

International activities - Transfer pricing: Compliance

Ugitech SA and its subsidiaries operate mainly outside France, in part via the Swiss Steel Group distribution network.

In this context, respecting international rules when setting transfer prices between affiliated companies is a response to the potential risk of transferring profits from one country to another.

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

Existing shares

Ugitech SA has been complying with transfer pricing documentation requirements since 2010. Since 2013, Ugitech SA has been complying with its reporting obligations.

Ugitech SA, as a subsidiary of Swiss Steel Group, prepares a specific country-by-country declaration, in response to a recommendation arising from the work on "country-by-country reporting". Transfer prices are reviewed as part of the company's internal control system. Ugitech SA updates its transfer pricing documentation for each financial year.



Value Added Tax

VAT identification

Article 214 a) of Council Directive 2006/112/EC of November 28th, 2006 stipulates 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 carries out supplies of goods or services on their respective territory 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 an individual number.

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

Existing shares

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

Future action

Implementation of electronic invoicing.

Tax compliance

As part of the DGE, accounting audits are the responsibility of the Direction des Vérifications Nationales et Internationales (DVNI).

The latest 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.

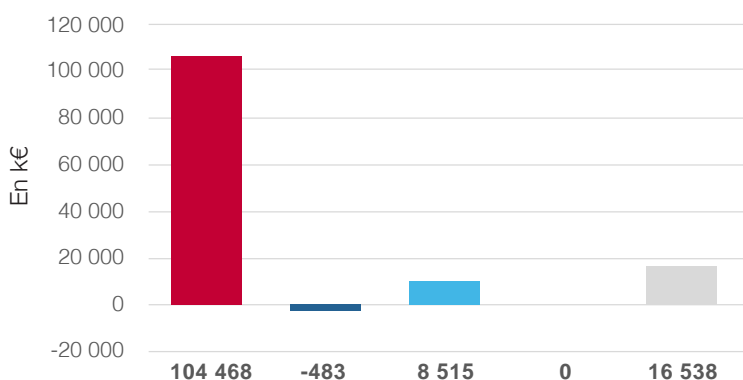
Since 2017, the company has benefited from the Community Centralized Customs Clearance procedure, enabling it to carry out import or export operations in several European Union member states, while centralizing its customs formalities in France.

This label and authorization, which are strategic for Ugitech, demonstrate our reliability (mastery of our customs processes, compliance, site safety/security aspects, etc.) to the French customs authorities.

Concerning dual-use goods: we do not sell or buy dual-use products in the countries listed.

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

Breakdown of value added by item



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