



Extra Financial Performance Statement

2021 Report - Ugitech Europe



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The life of one of our work colleagues was taken on Monday 3 January 2022. This date is now engraved in our memories in mourning.

How then can we keep the necessary serenity to find the words, not to be overwhelmed by emotion and try to restore confidence in the future of an entire company in order to resume our mission as a stainless steels producer?

What's the solution? To stay the course of our global approach, to hold on with the team spirit that characterises us and to keep going with the desire to not let go of our values when everything becomes fragile and can change at any moment.

Nothing is obvious, but it is certain that this global vision becomes a strength. In the reconstruction phase, which will last several months, the financial results no longer mean anything, so we must hold on to everything else. This «everything else» becomes essential, it will allow us to remobilise a whole community well beyond Ugitech.

What if our company's raison d'être became instantly clearer by integrating all of our stakeholders and our environment without any doubt, to make us feel all the links that exist and that ultimately gives our activity a meaning.

It will take time to heal this trauma but thanks to this renewed sense of purpose, we will leave with a calmer collective conscience and a renewed desire to work together.

All the information and actions you will find in this document are proof that we will not let go of our fundamental values, without ever forgetting our missing colleague. Together for a future that matters.

Patrick Lamarque d'Arrouzat

Managing Director of Ugitech

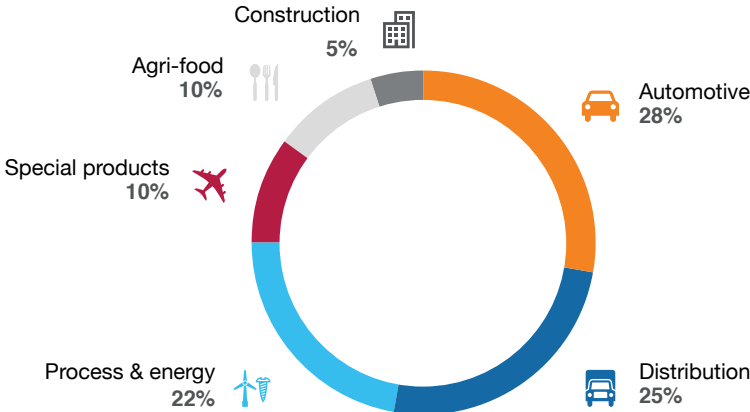
Ugitech, a subsidiary of the Swiss Steel Group

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

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

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

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



Together. For a future that matters.

Annual recurring
targets / KPIs

187 KT produced
1 776 employees
694 M€
of turnover
55 researchers



Our vision

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

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

Our strategic axes



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



Innovating for our clients by relying on collective intelligence



Ensuring permanent **competitive advantage**



Accelerate our **digital transformation**

2021

187 KT produced

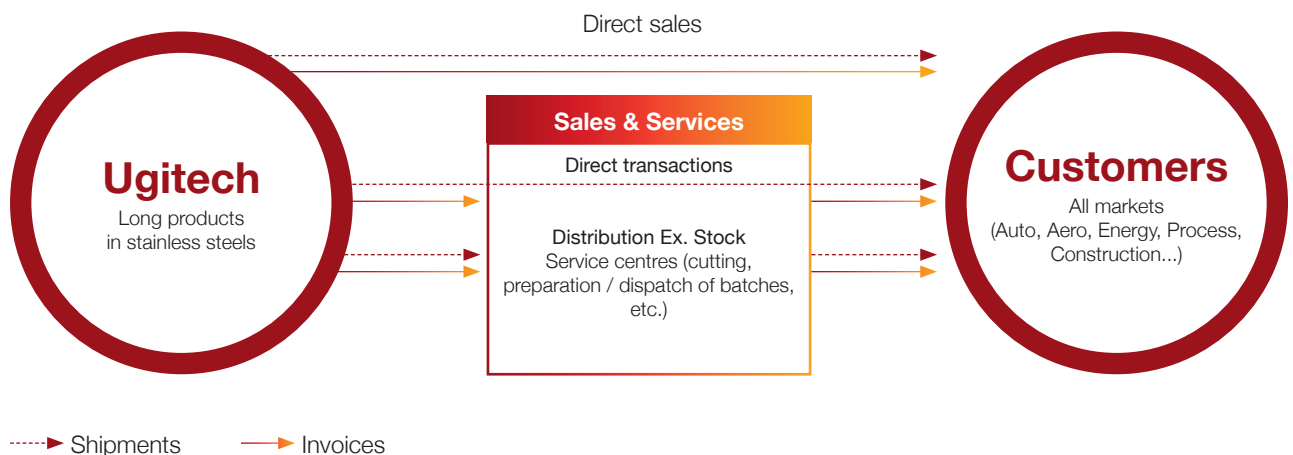
Business model

Ugitech, with all its employees and co-contractors, supported by the Swiss Steel International sales network, provides its skills to ensure the long-term satisfaction of its customers through the differentiation of its services and its long products in stainless steels and alloys.

Ugitech and Swiss Steel Group's distribution network, Sales&Services, work together to provide stainless steel solutions internationally. There are several logistic channels depending on the service provided to customers:

- Ugitech delivers from the factory and invoices the customer directly,
- Ugitech delivers directly to the customer, but the billing is done by Sales&Services in local currency,
- Ugitech delivers to Sales&Services' service centres, which forward and invoice the customer,
- Ugitech delivers from its Service center and invoices the customer directly.

Ugitech
Together. For a future that matters.



Our risk management

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

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

Ugitech works on its risks by process

and more globally in collaboration with the Risk Manager Group.

An initial identification of potential dangers (threats, weaknesses) is based on an in-depth analysis of the 22 processes, in relation to the strategic axes, the challenges and the objectives to be achieved.

It is carried out by each process manager and includes :

- A study of the «strategic» risks with regard to the issues and objectives targeted, via a SWOT analysis (Strength, Weaknesses, Opportunities, Threats).
- An operational risk analysis of the tasks to be performed 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.

More generally, a Ugitech Risk Management correspondent identifies and assesses the risks in order to create a risk map. It integrates the potential hazards and action plans drawn from the analyses carried out by process. It prioritises them using a rating (FMEA type) and monitors the progress of the action plans.

An extract of this mapping, consisting of strategic, operational, reporting and compliance risks, is also updated twice a year with the support of the Risk Manager Group, and completed with a quantified estimate of the impact per risk.

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

In 2021, the risk map was updated in particular following a review of the Processes and SWOT analyses.

Extract from the societal risk map

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

In all processes, CSR risks are identified individually.

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

Danger/Opportunity (SWOT)

Danger / Opportunity Description	Description of the impact	Projet
<p>Risk of fatal occupational accidents. erious injuries caused by lack of safety in the tool area (measures to be implemented by type of machine).</p> <p>Serious injuries related to transport risks: pedestrian and forklift.</p> <p>Compliance with local regulations to provide a suitable working environment for employees working at height.</p>	<p>Civil and criminal condemnation (compensation) Company image / employer brand.</p> <p>Impact on staff.</p> <p>Court-ordered production shutdown.</p> <p>Increase in ATMP contributions.</p>	<p>Security strategy with multi-year action plan for compliance...</p> <p>Focus of the security strategy.</p>
<p>Lack of water resources, electricity...</p>	<p>Production disruption due to lack of natural resources.</p>	<p>Water saving working group: evaluation of all water saving opportunities and their implementation. All prevention initiatives.</p>
<p>Serious environmental incident (discharge of polluted water, leakage of dangerous products into the ground, toxic cloud).</p>	<p>Pollution and stoppage of operations, degradation of Ugitech's image (Discharge of water contaminated by dust from the plant into the natural environment, soil pollution, etc.).</p>	<p>Rainwater treatment project in Ugine's investment plan (2022 - 2024).</p> <p>Control device in place. To be completed at the Finishing Workshops.</p>
<p>Environmental compliance of tools close to regulatory limits (PFM).</p>	<p>Formal notice to bring the concerned tools into conformity and, failing to do so, shut them down.</p>	<p>Study on the optimisation or the replacement of the existing abatement systems.</p>
<p>Risk of litigation and illness due to the chemicals exposure (Chromium and Cobalt).</p>	<p>Cost-based assessment treatment of serious diseases (cancer).</p>	<p>Follow-up of ongoing processes.</p>

Building the Raw Materials Culture within UGITECH.	Return of non-recoverable internal scraps - Process impact: off-analysis rate.	Continued technical investment to improve workshop sorting.
Dusty' image of the steel industry. Degradation of external relations.	Degraded employer brand, lack of attractiveness. Bad image.	Intensify the institutional communication plan. Set our communication plan in place and maintain a regular relation between local residents and the DREAL.
Increased transport costs in the medium term (diesel, carbon tax, etc.).	Price increases.	Development of intermodal flows.
Insufficient «external» resources in number & skills to keep up with our volume growth. Insufficiently known employer brand. Tight labour market in certain functions.	Failure to achieve the business plan. Recruitment difficulties, unfilled posts.	Internal school (page 58). Employer branding project to be continued in Ugine and rolled out to remote sites. Maintenance recruitment action plan.
Deterioration of the company's image and its reputation (failure to respect fundamental rights and regulations in force). Disengagement / deterioration strategic stakeholder relations	Stakeholder expectations (decline in stock market listing), recruitment difficulties, decline in confidence for customers/ suppliers / administration and political organisations / poor media communication.	Deployment of compliance procedures / e-learning Awareness-raising on non-discrimination and harassment in services. Recruitment policy anti-discrimination based solely on the candidates' skills: French law.
Using products from a disrespectful company.	Engaging with a third party who does not comply with the compliance rules and who does not correspond to our company's culture.	Supplier Code of Conduct. Purchasing policy.
Failure to control energy expenditure.	Additional / unplanned billing	
Risk and compliance management (fraud, cyber crime).	Generate financial losses, reputation, penalties / fines.	Generate financial losses, reputation, penalties / fines.
Loss of internal or external maintenance skills.	Difficulty in troubleshooting facilities, thus lowering the FIT.	PPartnership with the René Perrin high school in Ugine to create an electrotechnical block-release training. Purchasing / Maintenance Working Group.

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

Our CSR policy

On the basis of :

- the 4 axes of our strategy
- our business model
- our risk management dynamics
- our customers' requests who are increasingly sensitive to this issue
- the Ecovadis evaluation structure with which we have carried out an evaluation at the end of 2021

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

ECO-RESPONSIBILITY

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

SOCIAL DEVELOPMENT AND QUALITY OF LIFE AT WORK

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

BUSINESS RELATIONS AND TERRITORIES

- ⌚ Ethics and internal control
- ⌚ Responsible purchasing
- ☆ Employee engagement
- ⌚ Contributions to territories
- ☆ Taxation

⌚ 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, and food waste, do not constitute major CSR risks and do not justify a development in this management report.

Our CSR involvement

For the year 2021, Ugitech has continued its commitment to a sustainable future in a concrete way.

The projects resulting from the strategic axis "Anchoring our Corporate Social Responsibility to support a sustainable world" made significant progress in 2021, in particular:

- supporting carbon neutrality,
- improving the quality of life at work,
- preventing hand accidents,
- launching the internal school and its Management Culture component,
- promoting our social responsibility.

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

Every employee, every stakeholder, every customer is a link to be considered.

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

This commitment to sustainable development is also expressed at the level of our company's general management.



Patrick Lamarque D'Arrouzat is involved in the Business for Climate Convention (BCC). The organisation brings together 150 business leaders representing the French economic fabric in terms of geography, sector and size of activity.

From 1 July 2021 to March 2022, they will all propose concrete actions to promote biodiversity and reduce carbon emissions.

The cooperation of these different actors will enable them to commit to roadmaps that will:

- Propose initiatives in each company to act for the regeneration of biodiversity and to reduce carbon emissions by 40% by 2030.
- Provide a platform of proposals open to the candidates for the 2022 presidential elections in order to put in place concrete actions.



« The CEC must help to convince people of the vital importance and urgency of the situation. What better way to set an example than through personal commitment to collective intelligence? As the manager of the Savoyard steel company Ugitech, I realised that I had a role to play, that we all have a role to play.

Industry in the broad sense and the steel industry in particular have been committed to this virtuous path for a very long time and there is still a lot to be done. So, in order to share our concrete ideas and, all together, build new projects, I am joining this formidable initiative with a stainless steel will! »

Patrick Lamarque d'Arrouzat

Taxonomy



A new EU regulation Taxonomy 2020/852 of 18 June 2020 on the establishment of a framework to promote sustainable investment in the European Union has been launched.

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

To meet this regulatory requirement, we have set up a dedicated internal committee composed of members of the Finance, Environment/Energy and CSR departments.

This committee worked on the analysis of the eligibility of our company's activities and will work in 2022 on the analysis of the alignment on the basis of:

- The Climate Delegated Regulation of 4 June 2021 and its annexes complementing the EU Regulation 2020 / 852, by specifying the technical criteria for determining under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or adaptation,
- The Delegated Act of 6 July 2021 and its annexes complementing the EU Regulation 2020 / 852 by specifying how to calculate the KPIs and the narrative information to be published;
- Financial information to be extracted from the company's information systems (investment monitoring, consolidation) after the annual closing of accounts, which will be analysed and checked to ensure consistency with consolidated turnover, OpEX and CapEX in 2022.

KPIs Taxonomy

In the framework of the first two climate objectives from 2021 onwards, the European Commission has prioritised the sectors of activity with a major contribution to greenhouse gas emissions at EU level.

According to Annex 1 of EU Regulation 2020/852, the activity 3.9. Steel manufacturing is eligible for the taxonomy.

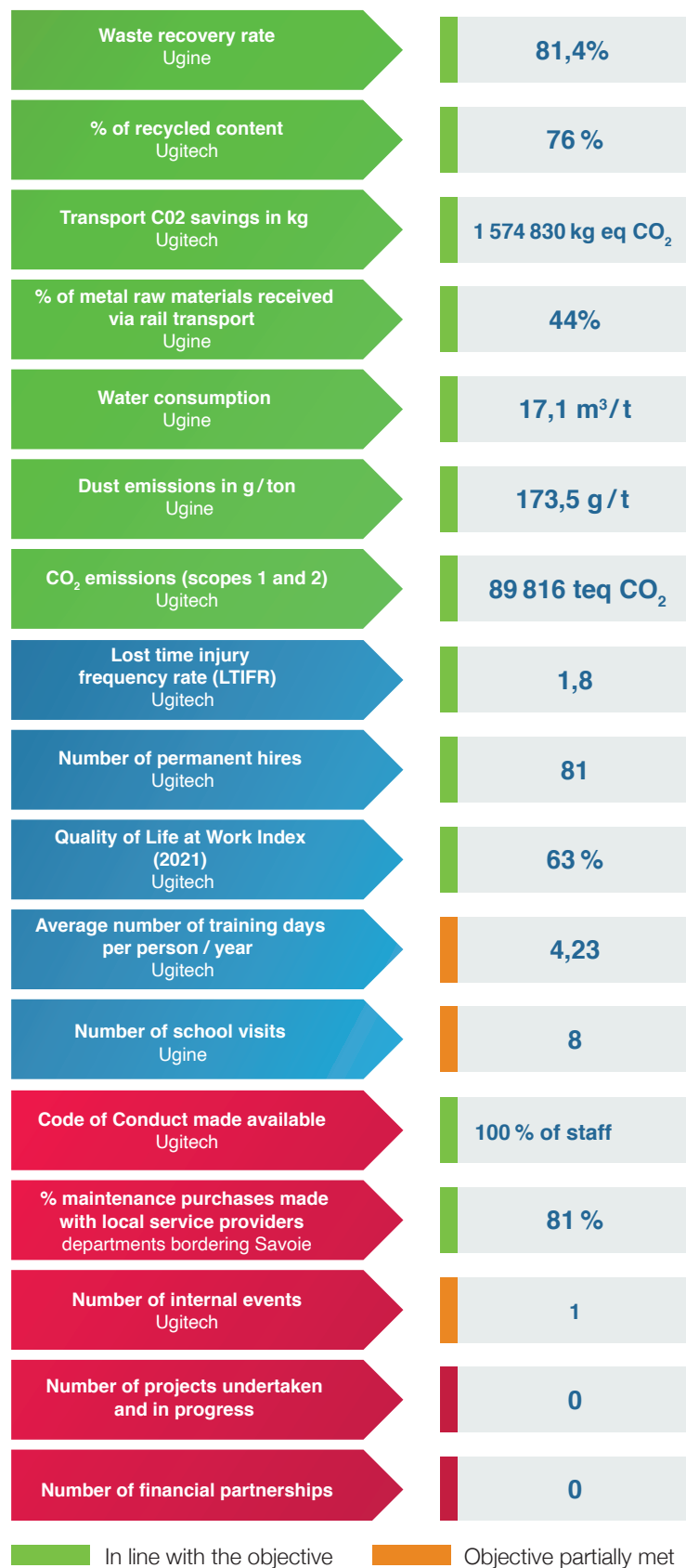
Ugitech's activity falls under this category and constitutes a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 as long as it meets the technical examination criteria set out.

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

Therefore, Ugitech has 100% eligible revenues for the 2021 financial year. Thus, the OpEX and CapEX related to activities contributing to the turnover can be qualified as eligible.

During 2022, a detailed analysis of these indicators will be carried out in order to take into account all the necessary and structuring elements to meet the obligations of the 2022 exercise.

Key indicators of Responsibilities 2021





Eco-responsibility

Sustainability of natural resources: sustainable products and markets - circular economy

Definition of the issue

Integrating the sustainability of natural resources into our daily concerns.

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

Developing the principles of the circular economy on all our activities.

Annual recurring
targets/KPIs

20 % Renewal
of our product portfolio

75 % Recycled content
in our products

Qualitative objectives

To provide the markets we serve with products for more sustainable lifestyles:

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

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

Develop the principles of the circular economy:

- Favouring the purchase of recycled materials for the production of our metal.
- Create an industrial unit for the recovery of waste and industrial metal co-products for the production of ferro-alloys



Existing actions

Circular economy - Raw materials

The stainless steel manufactured in Ugine is mainly made from scrap and offcuts from recycling (76%). These recycled materials are supplemented by primary carriers (ferro-alloys and pure raw materials such as nickel).

Indeed, the manufacturing process maximises the input of recycled materials.

The raw materials from recycling come from different sources:

Scrap and scrap metal purchased externally

These materials come from circular economy channels and are fully recycled in the steel mill.

Internal scrap

All production waste is recovered and recycled in the steel mill.

Recycled waste

The site has waste recovery systems for the waste produced by Ugitech (rolling mill sludge, steel mill dust, grinding grit, etc.). These channels allow the waste to be shaped for final reuse in the steel mill.

The recycled content of products has been calculated for 2021 according to the following formula:

$$\% \text{ content recycled} = \frac{\text{Tons of raw materials from recycling}}{\text{Tons of raw materials fed into the furnace}}$$

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

The pre-consumer recycled content consists of internal offcuts and recycled waste, while the post-consumer content consists of offcuts purchased from Outside Ugitech.

- Recycled content: 76

- Recycled content
PRE consumer :
22.84 %

- Recycled content
POST consumer: 53.18

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

In order to meet a customer request, in 2020 we developed a metal with a material basket containing 100% recycled products, with a quality and purity equivalent to those required in the medical sector.

In 2021, we developed a second casting of this alloy. This specific grade requires special sourcing to meet the final quality. Local sourcing is implemented, with raw material transport of less than 200 km.

UGI'RING project

This ambitious project aims to create the first «circular steel mill» in the world. It positions the steel industry, which is essential to many national value chains, as a key player in the recycling of strategic metals. This project requires a significant investment and the year 2021 was dedicated to the development of partnerships.

This project is supported by France Relance to the tune of 10 million euros.

Circular economy - End of life of our products Stainless steel is 100% recyclable.

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



«Return of crates» project

A study is underway with a major customer of the Saint-Etienne site to recover and reuse the packaging boxes used for shipping chrome bars.

In a context of tension on the wood market, this reuse seems to be a virtuous step to give life back to our crates.

Products for a sustainable world

The market for long stainless steels has been growing steadily at a rate of 2-4% per year worldwide for several decades. One of the reasons for this is that these products respond perfectly to the need for durability due to better corrosion resistance than more conventional and less alloyed steels.

From carbon energy to green hydrogen energy

Ugitech has built a multi-skilled team around the development of hydrogen as an energy carrier of the future.

The objectives of this team are:

- to produce hydrogen and to validate its use in our production processes,
- to identify and implement the levers for decarbonising our processes,
- to integrate Ugitech into a regional ecosystem (heavy mobility, Zero Emission Valley, Espace Montagne, etc.),
- to develop new grades of stainless steel suitable for this energy source.

In concrete terms, this translates into:

- A hydrogen-fuelled pilot furnace and production demonstrator project. With a power of 300 kW, it will use a high-temperature SOEC (Solid Oxide Electrolytic Cell) electrolysis process thanks to the recovery of the Ugine plant's waste heat. This project is being carried out with a consortium of European partners, including GENVIA, in the framework of a European HORIZON H2 project call.
- The continuation of a CIFRE research thesis in partnership with SIMAP in Grenoble and the CEA in Saclay to improve understanding of the mechanisms of hydrogen embrittlement of steels and stainless steel.
- The setting up of a mechanical testing laboratory in an H2 atmosphere.
- The wire drawing mills of Bourg-en-Bresse, Brionne and Imphy are studying the possibilities of producing this energy on their sites. The aim is to use water electrolysis or to obtain green hydrogen thanks to European projects for the development of mobility using hydrogen.

Car market

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

- Improved engine combustion with gas pressures up to 3000 bar,
- Increase the operating temperatures of the turbos to improve their efficiency.
- Develop stainless steel solutions adapted to the requirements of FCEV (Fuel Cell Electric Vehicle) and ICE (Injection Combustion Engine) hydrogen engines.

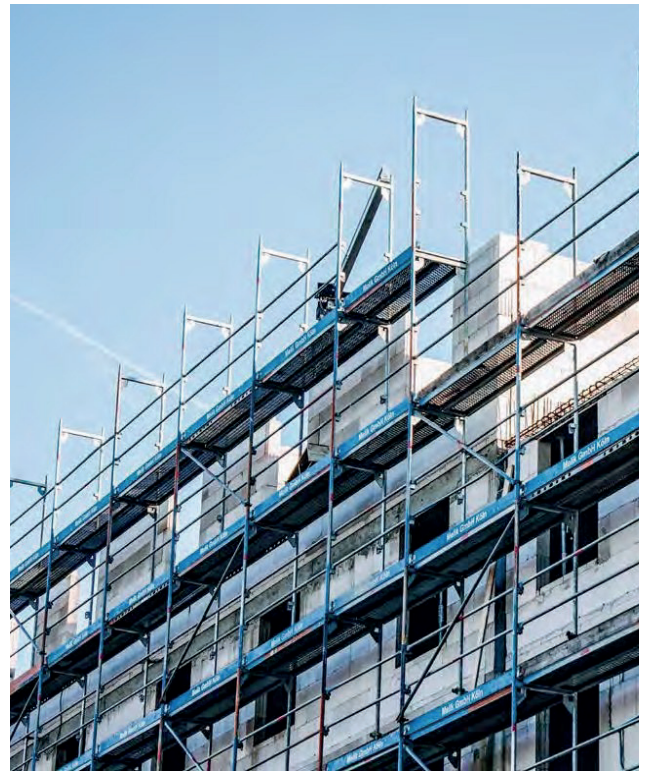


Construction market

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

To gain recognition of the value of stainless steel reinforcing bars in terms of durability in the building industry:

- Ugitech works with the research laboratory of the Gustave Eiffel University (formerly the research laboratory of the Ecole des Ponts et Chaussées) in France and the DIBt (German Institute for Building technology) in Germany.



- Ugitech has developed a stainless steel grade with a building materials supplier that limits energy loss in housing. This new grade has a guaranteed thermal conductivity of less than 12.5 W.m-1.K-1, whereas the standard for stainless steel reinforcing bars is between 15 and 16 W.m-1.K-1 and carbon steel reinforcing bars have a thermal conductivity of 45 W.m-1.K-1.

Following the registration of this grade by the European steel referencing body (German VDeH) under the material number 1.4670, in 2020, the French patent office worked on its registration in several countries. This grade is marketed by Ugitech under the name UGITHERM® 4670.

Aerospace market

Ugitech is participating in the deployment of the Leap engine, developed by Safran and GE, which reduces CO₂ and NOx emissions by 15% compared to previous jet engines.

We are developing harder and stronger grades to make lighter the parts on board. We help to reduce emissions and eliminate certain surface treatments of parts, which are factors of complexity and high logistical costs.

Medical market

Ugitech helps its customers to deploy the new regulations MDR2017 / 745 and CLP (Classification Labelling Packaging). By October 2021, medical devices containing more than 0.1% Cobalt had to be clearly identified. To meet this requirement Ugitech has developed a full range of grades containing less than 0.1% Cobalt. These grades are marketed under the name UGI XXXX LR (Low Residual).

Blacksmiths' market

In order to better meet the demands of this market, we have developed stainless steels with a lower nickel content. This development allows us to reduce our carbon footprint because the nickel introduced in these grades is manufactured in electrometallurgy furnaces which have a high carbon footprint.

By reducing the nickel content of these products, we are reducing our carbon footprint under scope 3 of the life cycle assessment of these materials.

Pulp and paper industries' market

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

Assessment of the environmental impact of our products and processes.

A Life Cycle Assessment (LCA) was carried out on two grades that are designed for the stainless steel rebar manufacture.

The results of this LCA are used to draw up an Environmental Product Declaration (EPD). The results of this LCA are used to establish an Environmental Product Declaration (EPD) which will be verified and published in 2022.

This analysis allows us to quantify the environmental impact of our products. In addition to manufacturing, we can, for example, measure the impact of raw materials and upstream and downstream transport.

Ugitech has been trained to carry out LCAs in order to obtain results on other products. This forms the basis of the eco-design approach, which enables the precise quantification of environmental impacts throughout the life cycle.

With the will to have non-toxic manufacturing processes for our operators, we have initiated a process to replace our bar chromium plating process, which currently uses hexavalent chromium (a carcinogenic product) with a non-toxic chromium plating process.

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

The Ugine Research Centre is working on a breakthrough technology for plasma chromium deposition.

If this research work is successful, it will be possible to consider «industrial» trials in 2023.

Future actions

- Continue the project to install a 300 kW hydrogen production demonstrator with GENVIA.
- Start our pilot furnace to evaluate the maximum proportion of hydrogen that can be used in our processes.
- Continue our work on hydrogen embrittlement of stainless steel with the aim of starting tensile tests after cathodic loading Of H2 in 2022 and pressure testing of H2 in 2023
- Continue to work with our partners on cleaner mobility.
- Develop partnerships on 3D printing to adapt the UGIWAM® thread to the use values expected by users.
- Publish an Environmental Product Declaration (EPD) for certain building applications.
- Carry out LCAs on other products in order to further develop eco-design.
- Start recovering production offcuts from our nearby customers to initiate short recycling channels.
- Carry out an improvement project on our packaging.
- Continue to work on the production of stainless steels made with material baskets consisting of 100% recycled content.
- Start our continuous plasma chromium metal deposition line.
- Develop the circular economy in all our activities.
- Continue the deployment of the UGI'RING project.
- Submit an operating permit application for the UGI'RING project.

Performance monitoring

% renewal of the product portfolio

2021

22,7 %

2020

22 %

% of recycled content - Ugitech

2021

76 %

2020

77,8 %

Energy and climate

Definition of the issue

Supporting the challenges of climate change and major international policies, including the international objectives of carbon neutrality.

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

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

Annual recurring targets/KPIs

CO₂ emissions: **Scopes 1 and 2**

<0,5 T_{eq} CO₂/T

-1 GWh/year
(electricity + natural gas)

Qualitative objectives

- Improve our resilience to climate change issues by limiting our CO₂ emissions through energy saving actions.
- Valuing all our carbon footprint reduction actions.
- Participate in the national effort to control consumption peaks and disruptions to the electricity network.
- Valorise our waste heat.
- Controlling energy efficiency in our projects.
- Raising awareness of climate energy among our staff.

Existing actions

Low carbon policy

The CAP 2025 strategic project on supporting carbon neutrality structures our approach to this issue.

The year 2021 was devoted to developing the roadmap for a low-carbon future. To this end, Ugitech has updated the carbon footprint® of its activities in 2021. The results, ambitions and main projects selected will be published in 2022, but initial elements are presented below. Ugitech has taken part in the development of several national and international approaches to integrate the requirements of climate change. In 2021, we have been a member of technical groups to:

- Develop the ACT methodology, designed by ADEME and CDP, which enables companies to assess whether their low-carbon policy makes it possible to meet the challenges of decarbonisation.
- Draw up the Sector Transition Plan, a French tool defining the national low-carbon objectives of the steel sector.

Climate change - CO₂

Ugitech's CO₂ emissions can be distinguished according to the scopes defined by ADEME in its greenhouse gas assessment methodology:

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



More broadly, Ugitech works on a regional basis, favouring projects that minimise CO₂ emissions on a global level and not just within its own perimeter.

The Ugine site is subject to the ETS 4 (Emission Trading System)

- European CO₂ allocation system.

In this context, the emissions from the process and from the combustion of natural gas are monitored regularly and checked once a year by an auditor. No additional quota was purchased.

In 2021, the Ugine site continued to benefit from State aid on the compensation of the cost of CO₂ in the price of electricity.

Carbon footprint

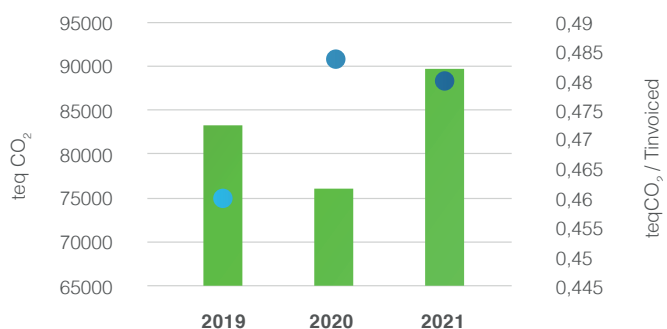
Scopes 1 and 2 - Direct and indirect emissions

Scope 1 is verified annually by an independent organization at the Ugine site, as part of the ETS.

The 2021 data verification quantified emissions of 65,213 tonnes of CO₂ equivalent in Scope 1 ETS.

Ugitech's scopes 1 and 2 represent 89,816 equivalent tonnes of CO₂, or 0.48 T CO₂ eq / T invoiced. (Graph below)

CO₂ emissions - scope 1 and 2 (teq CO₂) - Ugitech



■ Scope 1 & 2 emissions (teq CO₂)
● Emissions intensity (teq CO₂ / T invoiced)

Emissions are increasing due to the increase in production. However, the ratio of emissions per tonne invoiced remains stable.

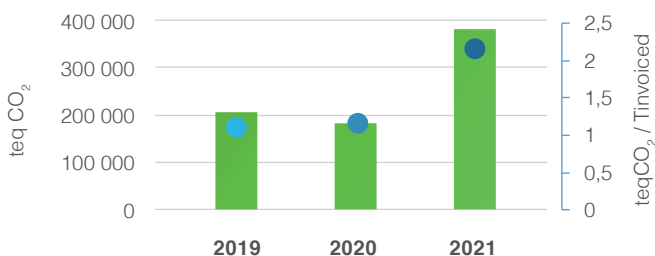
In order to reduce its CO₂ emissions, Ugitech is mainly working on its energy efficiency and is seeking to reduce its consumption of natural gas or electricity. Indeed, more than 70% of the direct emissions declared in the ETS come from the combustion of natural gas.

Scope 3 - Upstream and downstream emissions

Incoming raw materials

This indirect emissions item represents the majority of the impact for Ugitech. An assessment of this item is presented below.

Significant emission items of scope 3



- Raw materials (upstream)
- Raw materials / T invoiced

The objectives of developing the circular economy are the same as those of reducing CO₂ emissions.

Thus the development of the recycled content of our products contributes to the reduction of CO₂ emissions on this scope. When the casting was carried out with a basket of materials containing 100% recycled content, an evaluation of the reduction in CO₂ emissions on the scope of the raw materials impacted was carried out. It shows a reduction in CO₂ emissions between the conventional grade and the 100% recycled grade:

Scope 3 shows a 90% reduction in emissions for the raw materials in the materials basket.

Cradle to Gate approach

The Cradle to Gate approach quantifies the carbon footprint of a product on a defined part of Scope 3. For the first year, Ugitech has quantified its emissions using this approach by including:

- indirect emissions related to the procurement of raw materials,
- indirect emissions related to the transport of raw materials,
- direct and indirect emissions related to production. For these indirect emissions, the use of production consumables has been taken into account.

According to the life cycle assessment process, this corresponds to modules A1-A2-A3.

In 2021, the average CO₂ Cradle to Gate footprint of Ugitech's products is 2.62 teqCO₂ /t.

Transport

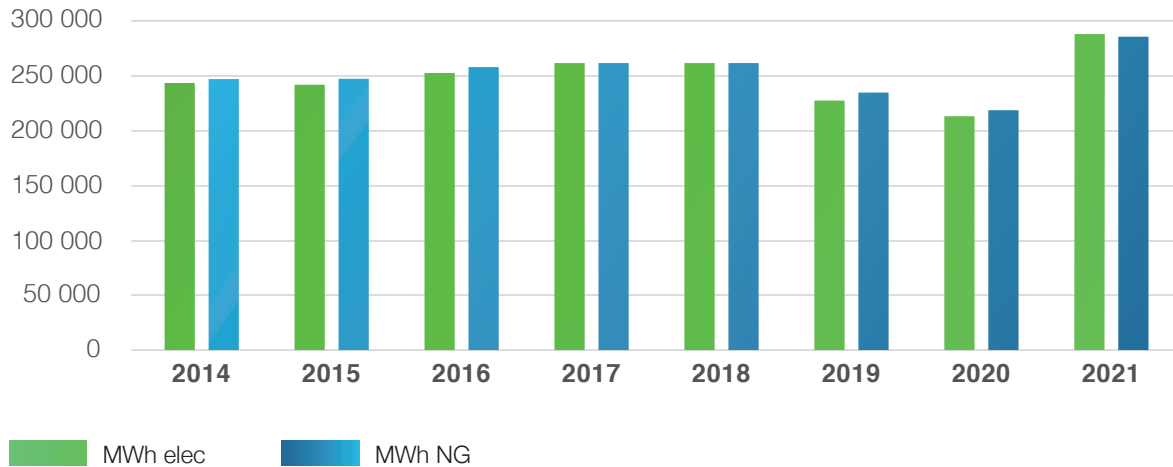
The CO₂ emissions linked to the upstream or downstream transport of our goods are included in the chapter Responsible logistics.

Energy Management System

Ugitech Ugine has been ISO 50001 certified since 2015. An appropriate organisation, with energy correspondents and regular exchanges, enables us to control our scope.

The ISO 50001 energy management system is fully integrated with Ugitech's ISO 14001 environmental management system, enabling climate issues to be addressed jointly.

Ugine's energy consumption in MWh



The Ugine site accounts for more than 90% of Ugitech SA's energy consumption. This is why the focus is mainly on this site, but the other entities also take this subject into account.

Energy consumption

Ugitech mainly uses two types of energy: electricity and natural gas (NG).

Ugitech's consumption in 2021 for these two energies is higher than the previous year due to the increase in our production.

On the other hand, the ratio of energy consumption per tonne produced has improved.

Diesel and LPG are marginally used to power handling equipment. Diesel is gradually being replaced by gas or electrification.

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

Energy improvement programme

In 2021, our team focused on innovative pre-projects such as:

- Hydrogen;
- The implementation of photovoltaic shading;
- Oxycombustion (use of O₂ as an oxidant instead of air);
- Partial electrification of the product reheating furnace before rolling.

Ecodesign of projects

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

One project, which was the subject of an energy efficiency review, came into being in 2021:

- The commissioning of the «NADCAP» furnace, a heat treatment furnace for very sensitive grades. The burners installed have low CO₂ and low NOx technology.

Heat recovery

Our industrial facilities have the potential to recover waste heat (heat lost during evacuation), which is currently being studied.

Since the end of 2021, part of our waste heat has been feeding the Urban Heat Network (UHN) of the town of Ugine. This partnership enables the town to benefit from heat produced 98% by renewable and recovered energy (77% biomass, 21% waste heat and 2% natural gas). Thanks to this joint project, the town of Ugine will reduce its greenhouse gas emissions by around 1,200 t CO₂ eq.

Electrical flexibility

Ugitech has been involved for years in balancing the French electricity network alongside RTE (the French electricity transmission system operator) via various electricity market mechanisms contracted with a partner (aggregator). Under the 2021 contract, three load shedding operations were carried out. It avoided the production of electricity by fossil-fired power plants (gas or coal), which are high emitters of CO₂. This process also reduces the risk of blackouts on the French, and even European, grid.

LED lighting

In Grigny, lighting is now provided by LED lights. At the Saint-Etienne site, all the lighting in the workshops and offices has been replaced by LED lighting, which reduces electricity consumption for lighting by 65%.

DataLab

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

Internally, this project will provide more relevant indicators. Externally, it will allow RTE to have a better visibility of our consumption and to propose a better management of the French network balance.

Photovoltaic

In 2021, the photovoltaic roof installed ten years ago on one of our production buildings was renovated with new generation panels..

Energy efficiency

The Bourg-en-Bresse site replaced two compressors with a new generation one. It also shut down one of the site's three annealing furnaces.

The air suction system in the Saint-Etienne chrome-plating shop is lowered by 30% during periods when there is no activity (weekends and nights not worked).

Workshop heating

We have set up control units for the control of radiant heat. The out-of-use radiators have been replaced by new generation radiant heat.





Future actions

- Deploy the CAP 2025 strategic project to support carbon neutrality.
- Publish Ugitech's roadmap.
- Improve the energy performance of our tools and buildings.
- Continue our commitment to mechanisms adjustments with a view to forecasting our consumption.
- Carry out our heat recovery project.
- Integrate energy/climate issues in IT.
- Study the installation of photovoltaic panels on the car park in Ugine, on the central warehouse in Grigny and on the Bourg-en-Bresse site.
- Continue the renovation of heating systems.

Performance monitoring

	CO ₂ emissions (scopes 1 and 2) Ugitech	CO ₂ footprint (scopes 1 and 2) / T invoiced Ugitech	Energy consumption per tonne invoiced Ugitech	% of electricity in the energy mix Ugitech
2021	89 816 teq CO ₂	0,48 teq CO ₂ /t	3,2 MWh/t	50,1 %
2020	76 052 teq CO ₂	0,48 teq CO ₂ /t	3,1 MWh/t	51,3 %

Responsible logistics

Definition of the issue

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

Numerical and qualitative objectives

We are looking at all possible destinations and our aim is to maximise the use of rail both upstream and downstream, to reach 40,000 tonnes transported by rail.

The global approach to the implementation of strategic ambitions is being deployed. The constitution of relevant relative KPIs and quantified objectives is one of the first steps.

Existing actions

The transport department continued to work to increase the tonnage shipped by road-rail and to develop other transport solutions.

Every opportunity to favour soft transport is studied. Whenever possible, we use rail transport for materials received in bulk and also for deliveries to our end customers.

In 2021, we used the combined road-rail train to deliver our customers in England using the train from Macon to Calais.

We have increased our CO₂ savings tenfold.

	T transported	CO ₂ saved
2021	3 865	92 617kg
2020	407	9 691kg

In Germany, we have also diversified our road-rail destinations. We have more than doubled our CO₂ savings.

	T transported	CO ₂ saved
2021	10 115	196 191kg
2020	4761	92 716kg

The same example applies to Belgium.

	T transported	CO ₂ saved
2021	1 008	19 005kg
2020	500	8 970kg

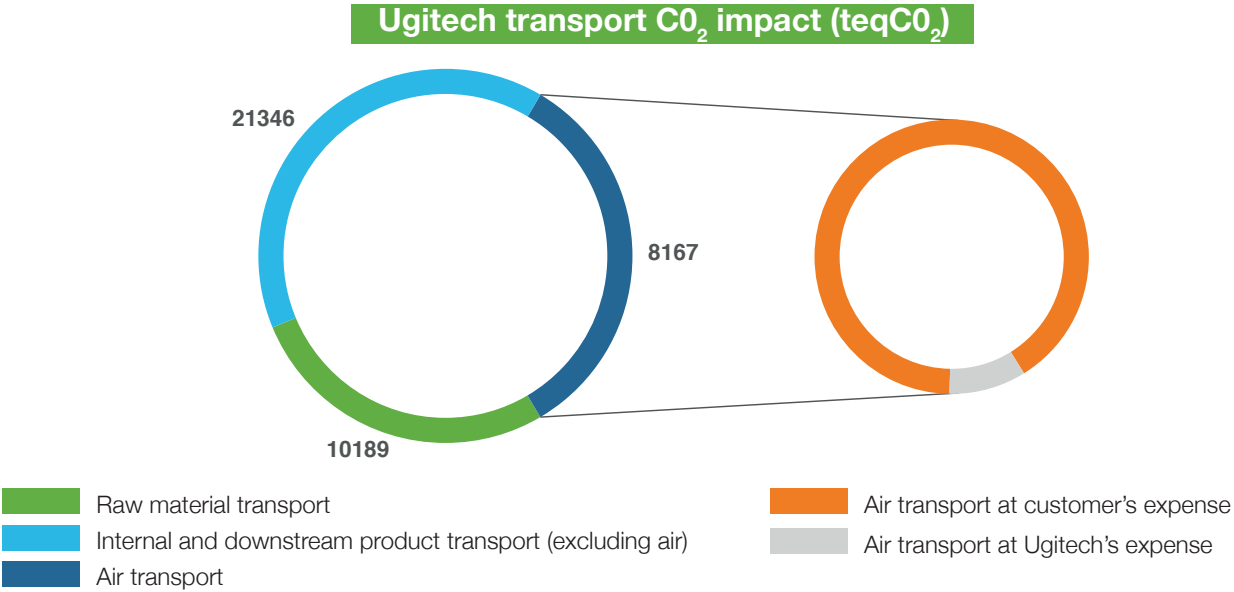


The road-rail share now represents 12.2% of the tonnage shipped, an increase of 4 percentage points compared to 2020.

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

Future actions

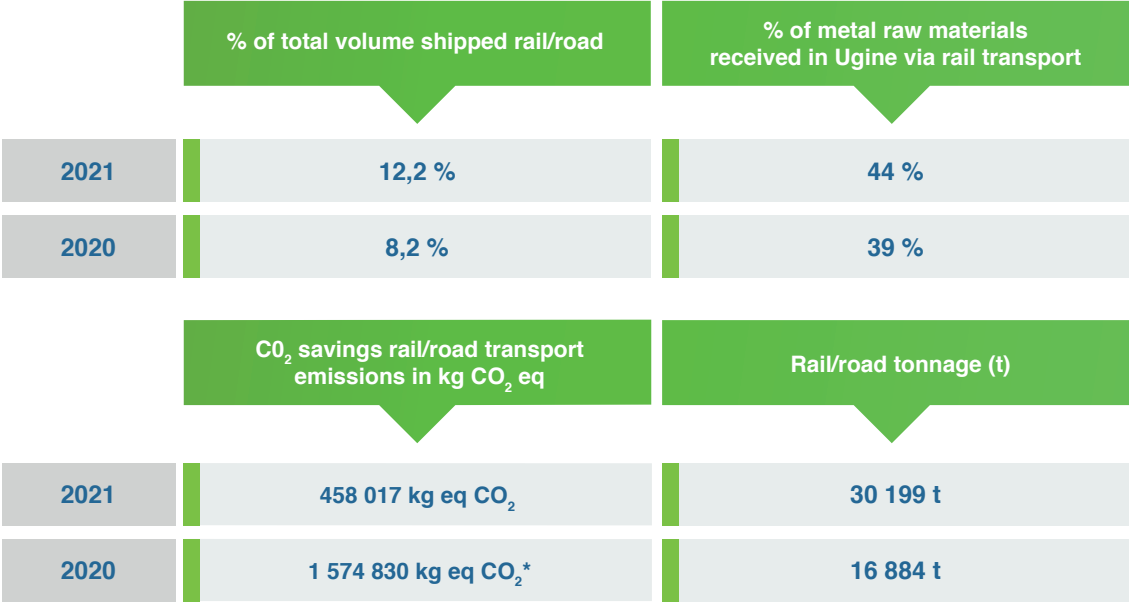
- Continue to develop the volumes delivered by road-rail for our customers in Europe by studying new logistics routes.
- Explore all possible alternative transport solutions.
- Maintain the use of rail transport for part of the replenishment of raw materials



In 2021, Ugitech has established an estimate of the carbon footprint for part of the transport carried out on its behalf. Thus, the following transports are distinguished:

- Upstream transport of raw materials. The mode of final supply (road or rail) as well as the country of production of the metal is taken into account in the calculation.
- Transport of Ugitech products between Ugitech sites and to the customer. Information from transporters is used and transport by air has been quantified. Thus, the carbon footprint of transport-related emissions at Ugitech is minimal

Performance monitoring



* This very strong increase (+655%) in value is due to the increase in the underlying scope considered.

Protection of the local environment

Definition of the issue

To understand and reduce the impact of Ugitech's activities on the environment.

This applies to water and air emissions, soil pollution prevention, noise and waste management, in order to preserve the environment and adapt to the realities of climate change.

For sites classified as Seveso, work on the prevention of major accidents and on reducing the presence of dangerous substances on the site as much as possible.

Qualitative objectives

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



Target figures
and qualitative annual reports

UGITECH

0 critical incidents

≥ 80%
waste recovery rate

UGITECH UGINE SITE

100%
slag recovery rate

≤ 260 mg/l
global nitrogen concentration
in the water of the PFM workshop

≤ 200 g/t
dust emissions
from the steel mill

UGITECH BOURG-EN-BRESSE SITE

≤ 2 mg/l
concentration
of phosphorus discharges



Existing actions

Environmental Management System

To meet our environmental challenges, the industrial sites have an environmental management system and are certified ISO 14001 -2015 version.

The Saint-Étienne and Grigny sites are to be included in the scope of ISO 14001 certification in 2023.

The Italian sites of TFA and Milan are also EMAS certified.

All of the establishment's staff and the neighbouring population were informed of the measures to be taken in the event of a major accident occurring on the Ugine site.

For several years, we have had a specialised «Environment» department at the Ugine site, with strong skills in managing and reducing environmental risks. This department monitors regulations and is in close contact with the Regional Department of the Environment, Planning and Housing. Each Ugitech site has set up an environmental organisation in conjunction with the Ugine site's environmental department to manage the approach and improvement projects. Each site manager is responsible for the environment in his or her area. In addition, in order to increase the number of actions and global vigilance, an environmental awareness campaign for 100% of the staff is underway. An e-learning awareness module is being prepared.

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

Environmental impact management

Aqueous discharges into the natural environment

Water discharges from the various industrial sites are monitored in accordance with the regulations in force. The results are sent to the authorities.

Reduction of overall nitrogen discharges in Ugine

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

Reduction of Phosphorus discharges in Bourg- en-Bresse

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



Air emissions

Air emissions from industrial sites are regularly monitored and generally comply with regulations (3 confirmed exceedances out of several hundred parameters monitored in 2021, - the causes have been identified and some have been resolved).

Ambient air measurements have also been conducted around the Ugine site by the Auvergne-Rhône-Alpes air quality association for several years. In 2021, a point slightly further away from the industrial site was monitored. At this point one of the 9 parameters was above the benchmark or regulatory values. The other parameters measured at this point as well as those measured at the closer point are in compliance with national regulations.

In 2021, the level of dust emissions from the steel mill is decreasing and is in compliance with the values required by the prefectural order (75.2 g/t for the 150 g/t maximum required for the «furnace» zone) and by European regulations (current efficiency rate = 99.19% for a minimum rate required by the regulations of 98%). (Annex)

Reduction of atmospheric emissions in Saint-Etienne

The main pollutant emitted by the site is chromium. Because of the proximity of the houses, we have to reach thresholds well below those authorised by our ICPE decree. The site aims for 10% of this value but the current installation makes it difficult to maintain this objective.

A complete overhaul of our air emission treatment facility is planned for 2022.

This renovation will be completed by self-monitoring to follow our discharges over the year without waiting for the regulatory controls

Local impact management

Protection of biodiversity

A bibliographic inventory of biodiversity interests was conducted in 2017 for each of the French ISO 14001 certified sites. Updated annually, no major biodiversity-related risks were identified. A more extensive approach to identifying biodiversity-related issues is under construction.

The main problem currently identified is the presence of invasive species, in particular Japanese knotweed on the Brionne and Ugine sites.

Soil pollution prevention

A programme for the installation of containment facilities for the storage of hazardous products has been deployed in all industrial sites to prevent any accidental pollution, in particular of the soil. These containments are regularly checked and maintained.

Noise pollution

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

In Saint-Etienne, noise pollution is taken into account in every new investment project. For example, silencers have been added to exhaust air ducts, which were not included in the original project.

External communication

The Ugine site regularly exchanges with local residents. The aim of these exchanges is to focus improvement actions on their specific expectations. An annual meeting is organised and telephone discussions take place during the year.



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

Waste management

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

In 2021, almost 82,000 t of waste were generated, 28% of which were hazardous waste. This increase in volume is due to production, as well as evacuations related to specific construction sites. (Appendix)

Steelworks slag represents the largest part of the waste produced by Ugitech (45,215 tonnes in 2021). It is recycled in road construction in collaboration with a specialised service provider. In 2021, due to the health crisis and the resulting economic crisis in the public works sector, their recovery rate is down again and remains below the target (75%). Refractory materials are also found, particularly from the steelworks. Some of these materials are recycled through internal or external channels. (Appendix)

In Saint-Etienne, plastic containers are given a new life through a recycling process.

IBCs (1000 L plastic containers filled with chromic acid) are collected, washed, decontaminated and transformed into plastic beads used in the non-food plastics industry.

Pipes can be manufactured using this method. The metal surrounding the plastic packaging is recycled in a steel mill.

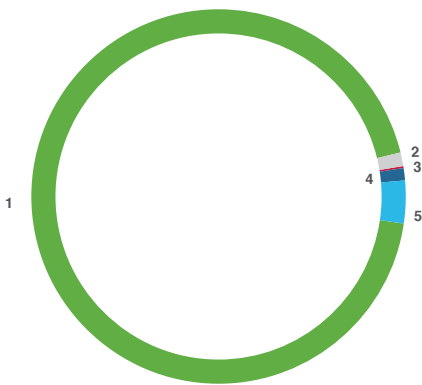
Dematerialisation of hazardous waste traceability

All French sites have prepared for the use of our Trackdéchets (WasteTrack) application.

It will enable the traceability of hazardous waste to be dematerialised. It will be used throughout the entire logistics chain by 2022.

Natural resource management

withdrawal and water consumption



1	Ugine	93 %
2	Bourg en bresse	1 %
3	Imphy, Grigny, Brionne, St Etienne	0 %
4	Milan	1 %
4	TFA	4 %

At the Ugine site, since 1995, numerous actions have made it possible to significantly reduce the consumption of cooling water by switching to closed circuits in which the water is cooled by air-cooling towers. The quantity of water taken has been divided by 3. (Appendix)

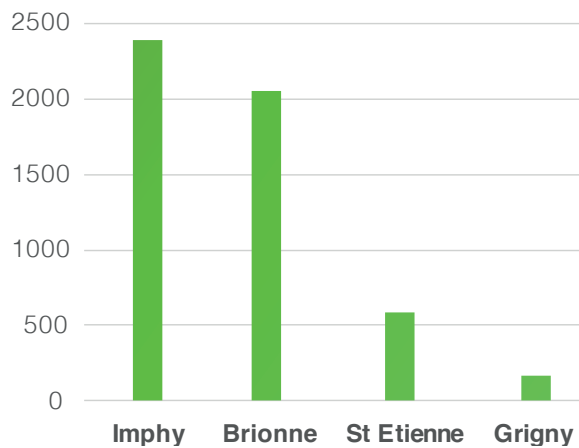
The reduction of water consumption is a strategic project within the CAP 2025 framework. Various actions are being identified, including two investments in 2021. Water-cooled transformers have been installed in series,

to reuse the water several times. A saving of almost 300,000 m3 of water per year is expected.

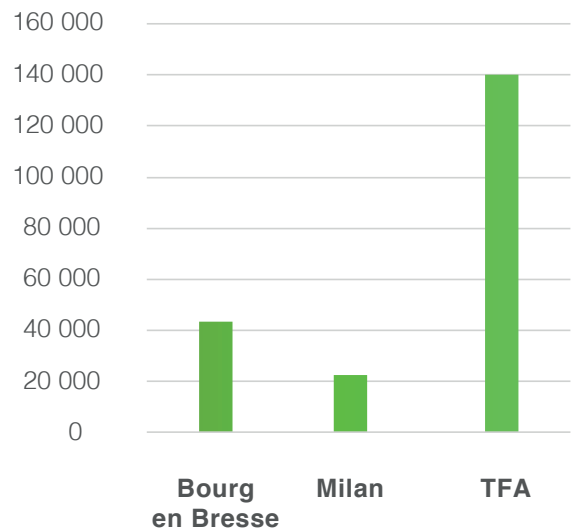
The Ugine site is Ugitech’s main water consumer (> 94% of consumption).

The following graphs show the water withdrawals of Ugitech sites outside Ugine. The Ugine site has withdrawn nearly 3,200,000 m3 from the natural environment in 2021.

Water withdrawal (m³)



Water withdrawal (m³)





Future actions

Reducing the environmental impact of factories:

- Implementing an ISO 14001 environmental management system in Saint-Étienne and Grigny.
- Carry out the investment project aimed at improving the abatement of hydrocarbons in the discharges from the rolling mill (Ugine site).
- Continue research into innovative technologies for the treatment of nickel in water.
- Improve the air treatment system (Milan site).

- Ugine site: make an investment to improve the treatment of water discharges and rationalise discharges.

- Ugine site: prepare the investment in 2023, of a fish pass on the water intake of the plant.

Reduce the risk of water abstraction:

- Carry out the Ugitech CAP 2025 water consumption reduction project.

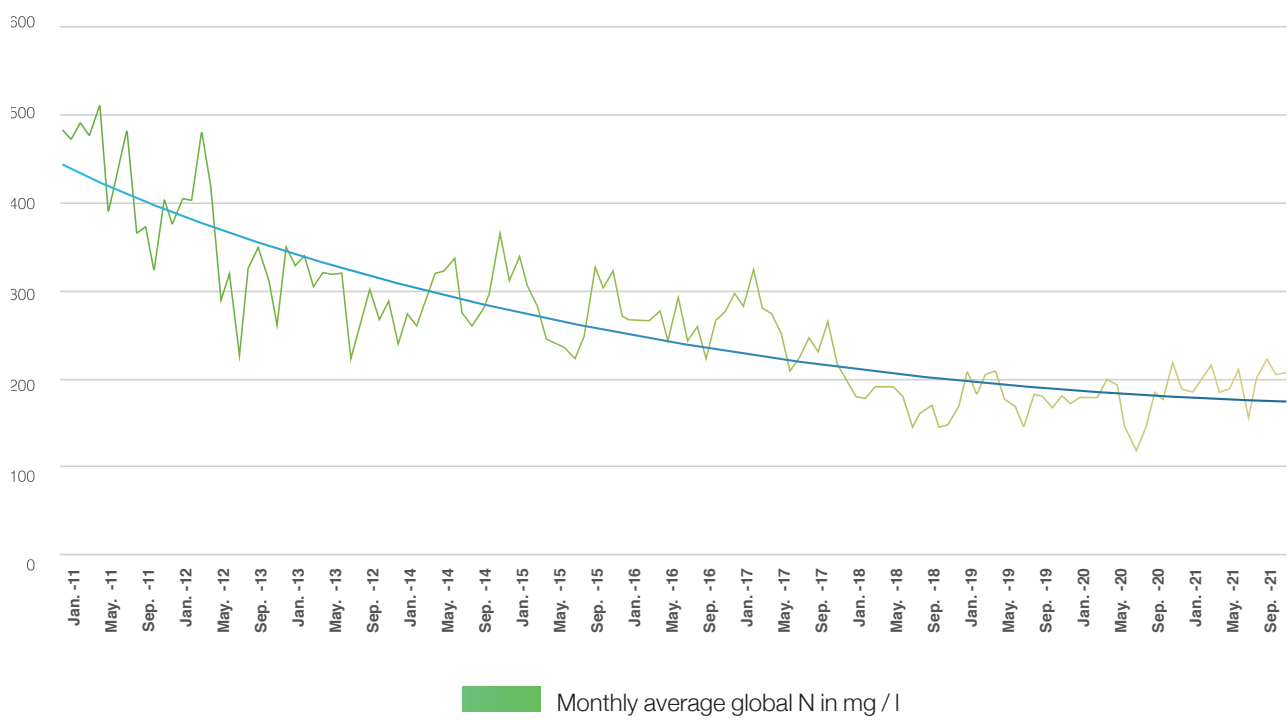
Performance monitoring

	Number of critical water incidents Ugitech France	Average concentration of the Wire rod Finishing Shop water discharge in total nitrogen Ugine site	Average concentration of phosphorus in the discharge from the WWTP Bourg-en-Bresse site	Steel mill dust emission in g/tonne Ugine site
2021	0	210 mg/l	1,14 mg/l	173,5 g/t
2020	0	187 mg/l	2,16 mg/l	188,5 g/t

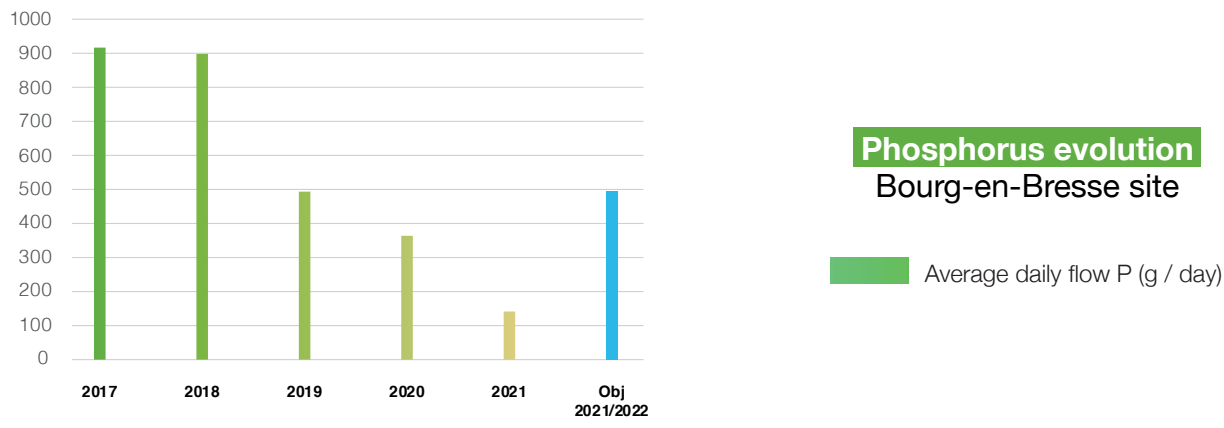
	Water consumption (m ³ / billed t) Ugitech	Waste recovery rate Ugine site	Recovery rate of the steel mill refractories Ugine site	Slag recovery rate Ugine site
2021	18,26 m ³ /t	81,4 %	68 %	75 %
2020	20,9 m ³ /t	84,6 %	60 %	88 %

Annexes

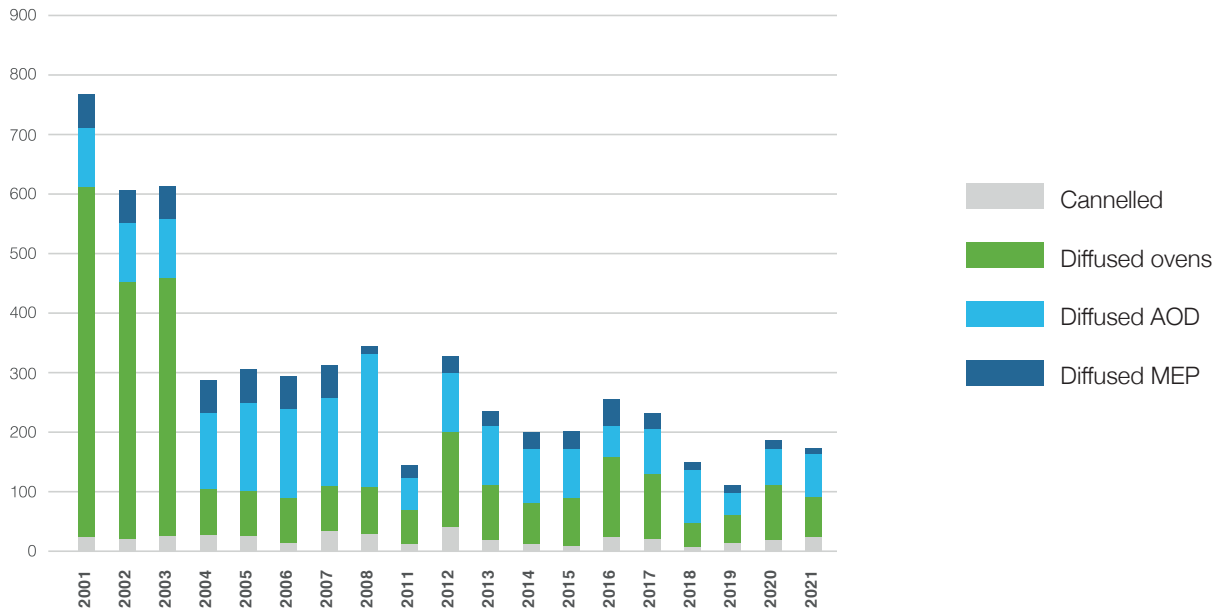
Global Nitrogen concentration in mg / l - stripping workshop discharge
Ugine site



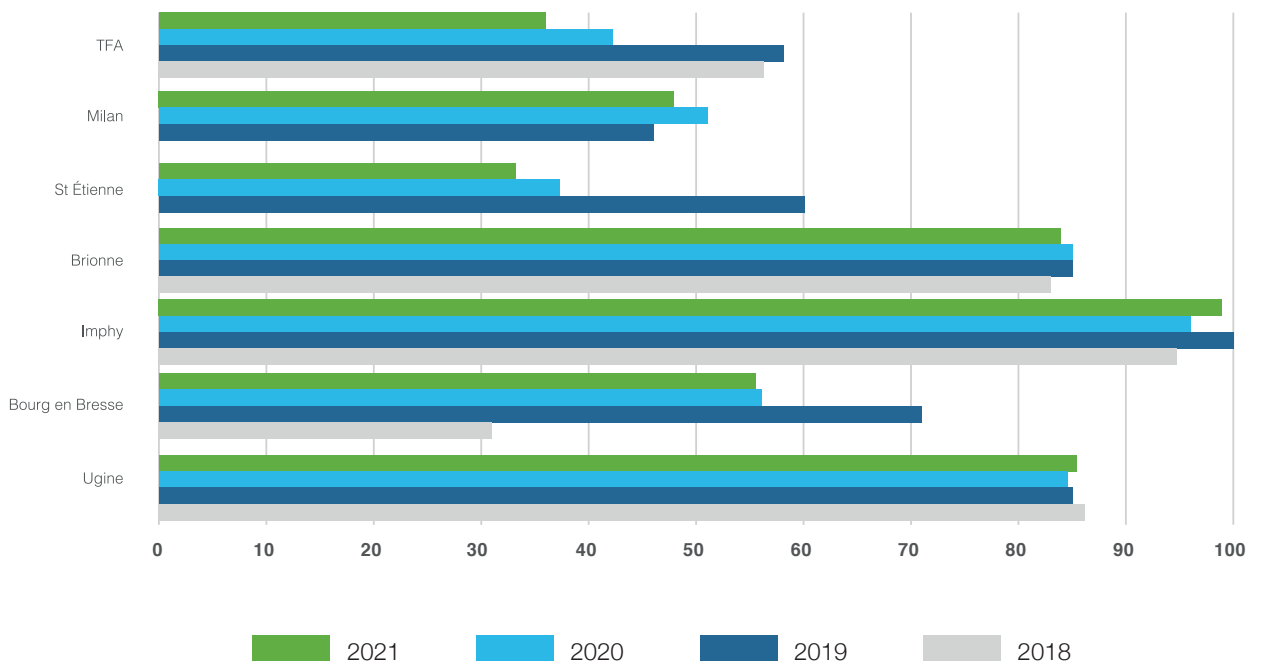
Phosphorus evolution
Bourg-en-Bresse site



Steel mill dust emissions (g/t) Ugine site

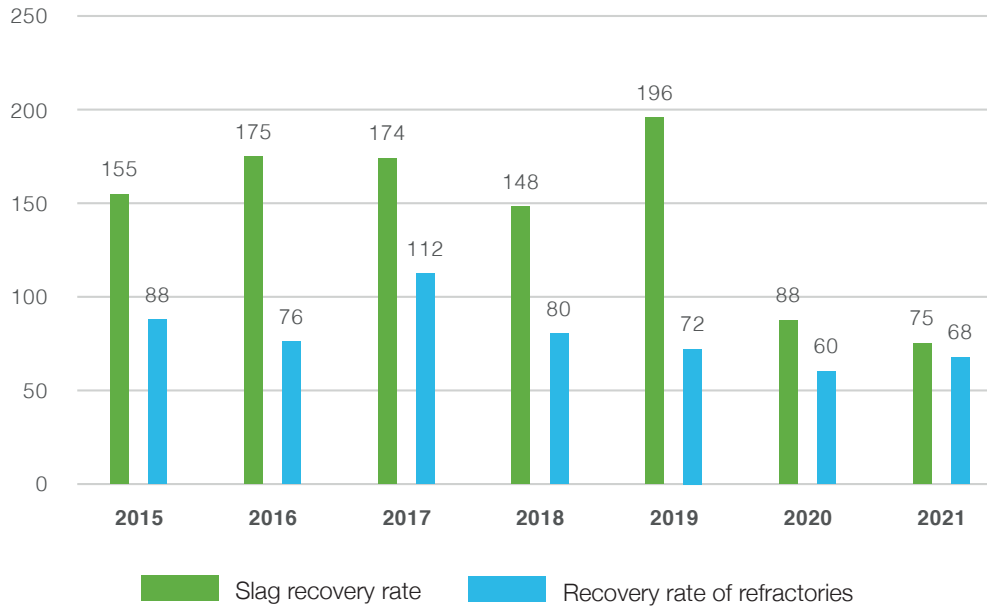


Waste recovery rate



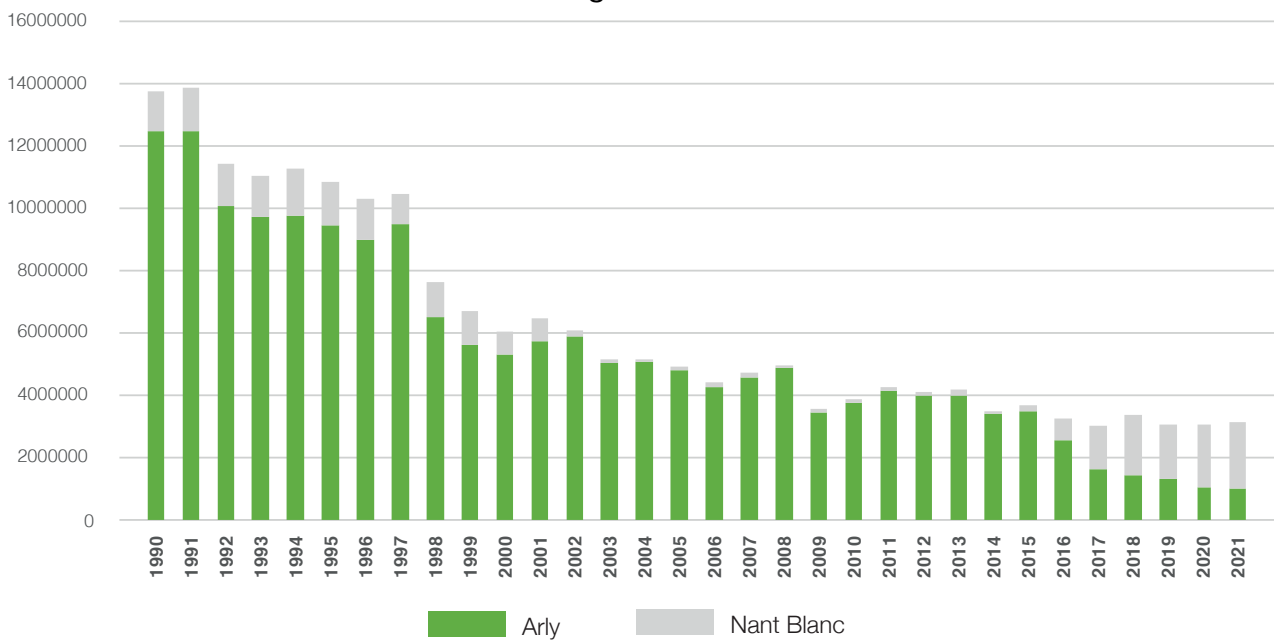
Recovery rate of the main steel mill waste

Ugine site



Water withdrawal (m³)

Ugine site





Social development and quality of life at work

Health, safety and working conditions

Definition of the issue

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

Annual recurring targets / KPIs

Our ultimate goal is to move towards «zero «Zero accidents and zero occupational diseases

Qualitative objectives

Our approach aims to involve all managers and CSSCTs in order to make each Ugitech employee a responsible player in their own safety and their colleagues.

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

Existing actions

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

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

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

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

This plan is supplemented by local plans specific to each site.

They are revised annually.

A standardised approach

Les rôles et missions des acteurs SSE sont désormais mieux connus
The roles and missions of the HSE actors are now better known and recognised through local exchanges and working groups. Cross-cutting projects and exchanges between sectors have continued to develop a standardised approach to deal with our needs.

We have launched a complementary HSE approach based on:

- **A strengthened organisation.** Within each department, there is a dedicated HSE team member. Risk Prevention Engineers have been recruited for this purpose in various workshops and sites. We plan to recruit again in 2022 to implement our strategy more effectively in the workshops.
- **The harmonisation of practices between services.** Minimum standards to be achieved are established and best practices are retained and shared. This allows everyone to benefit from the most effective feedback.
- **The implementation of a safety management system based on ISO 45001.** A pre-audit was conducted in March 2021. Following this, we have launched working groups to bring us closer to the expectations of this standard. We will launch our certification in 2023.
- **An evolution of our Safety Culture in line with daily 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 requires increased support for supervisors in order to sustain their day-to-day practices and to promote the appropriation of the approach.

Health

Covid-19

The COVID-19 pandemic impacted the year 2021 but more episodically than the year 2020.

We have maintained our operational strategy of control. We have made it evolve in our practices to keep up with successive developments and strengthen the link even at a distance.

Several findings were made during the year:

- the significant variation in the target populations affected over time by Covid-19,
- a relaxation of practices outside the company.

To ensure that everyone is aware and remains mobilised, we have diversified and deepened our internal communication. We have continued to provide support in the field so that everyone can protect themselves and their colleagues.

The various improvements and measures taken have exceeded €2 million.

Quality Survey Work Life Quality (WLQ) 2021

The executive management, alongside staff representatives, has launched its second survey in the spring of 2021 among all Ugitech France employees on working conditions.

The survey was conducted on the Internet using QR codes and Internet links available on the computers in the workshops. Paper questionnaires were sent to employees who did not have a work email.

This survey assessed the feedback from the actions that were launched following the 2018 survey.

The summary report of the results and the action plan were drawn up by the Joint Monitoring Committee. The Technologia consultancy firm accompanied Ugitech throughout this process.

Summary

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

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

Ugitech's management of the health crisis allowed everyone to feel protected despite the constraints imposed by the situation.

Some issues need to be improved or to evolve positively: better real-time communication of key information is desired to allow greater autonomy in carrying out tasks.

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

- in the health and safety of staff but less so in their well-being,
- respecting natural resources and environmental discharges.

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

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

«The satisfaction rate of my professional situation taken as a whole» reached 78%, an increase of 4 points.

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



Commitment: 70%
(72% in 2018)



Satisfaction: 61%
(59% in 2018)



Fatigue: 42%
(41% in 2018)



Stress: 38%
(37% in 2018)

Ergonomics

A working group led by supervisors is developing working conditions. An operational ergonomic approach based on the PRAP method (Prevention of Risks linked to Physical Activity) of the National Institute for Research and Safety (INRS) has been implemented.

The Bourg-en-Bresse site continues to spread the PRAP approach it has adopted to other sites. The Steelworks has launched its PRAP at the Mason's site and a second PRAP has been started at the Finishers' workshops. Their feedback is shared with other potential multi-site users.

In terms of machine compliance, Ugitech continues to deploy its modernisation effort, integrating ergonomics into workstations and capitalising on feedback from the changes made. This is a cross-functional and participatory approach. Safety at the workstation must be thought through in a practical way in order to be applicable.

In the long term, we are also acting to eliminate health risks. It aims to maintain employment through several approaches, including the reduction of arduousness and its factors, the treatment of musculoskeletal disorders, the accessibility of workstations to all people, etc. It is the subject of a synergy between several services. Our approach is based on risk prevention: signs of illness are detected as early as possible. For example, an automated packing and banding table after polishing was installed in Saint-Etienne to facilitate packing manoeuvres, avoid the risk of upper limb entrapment and reduce the operator fatigue.

Safety

Traffic and mechanised handling. Our action plan continues to be deployed. This multi-year theme is the subject of a GESIM challenge organised by the steel industry. The volunteer employees are integrated into a dynamic approach on which we actively communicate. The group addresses:

- the development of pedestrian/vehicle co-activity areas,
- the evolving standards which capitalise on our experience and take them into account in the development of our new projects,
- the continuous improvement of signage and communication of safety instructions, especially for our foreign deliverers,
- our safe lifting practices reinforcement.

Each site has now adopted the approach and is developing its traffic plan, based on shared solutions.

Machine Compliance

New machines

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

Particular attention is paid to the modifications of the existing machines.



Treatment of obsolescence

It is clear to Ugitech that equipment compliance goes hand in hand with obsolescence management. After the major projects carried out in 2020, numerous analyses were launched in preparation for future investments. This is an opportunity to develop the workstation for both production operators and maintainers in an approach that integrates safety and ergonomics.

Security is built collectively

A «Modifications Committee» was launched at the end of 2019 at the Finishing Workshops in a test phase to exchange and study solutions that would make daily work easier or safer. The drawing benches, some troughs and even the electroportable tools have benefited from this collective thinking approach.

In 2021 at the remote sites the focus was on safe and convenient access to the facilities, especially the wire drawing machines. Our wire drawing plants continue to work together

and exchange ideas in order to propose solutions that can be transposed and adapted from one site to another.

Electrical upgrades were carried out in Imphy and Bourg-en-Bresse. Here again, maintenance or production start-up operations were the priority, for example during the phases in which manual operations are the most frequent and the most exposed.

The Ugitech Italia and TFA sites have been undergoing a continuous and profound transformation for several years by rationalising and modernising the production tool. This transformation is both technical and organisational.

Hand injury working group

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

Controlling the chemical risks

In 2021, we continued our chemical risk management programme across the various sites. Trained correspondents are deploying the strategy through yard sales, updating the chemical risk assessment, providing simplified sheets, and managing the transport of hazardous materials with the support of the central health and safety department.

In Saint-Etienne

Work was carried out in the grinding shop to reduce employee exposure to grinding fumes. More powerful suction systems with external fume discharge have been installed. An additional machine enclosure is being studied to maximise fume capture.

The next challenge related to the chromium plating activity is to reduce the exposure of employees to chromium vapours.

The year 2021 was devoted to understanding the phenomena of exposure to fumes in the workshop in order to validate the appropriate solutions to be deployed in 2022

Creating moments of exchange

We encourage our employees to take responsibility for their own health and safety by creating opportunities for discussion. In 2021, more than 300 near-misses were reported via our reporting system, as well as nearly 1,000 action detections. They have made it possible to deal with situations before an accident occurs.

Daily field audits

We conduct daily field audits on various topics related to our activity. This approach covers traffic in the company, lifting on the bridge and also the proper safety training of new arrivals. New audit topics have been developed with the user operational departments to meet specific needs raised by the departments. The deployment of the audits is planned to be gradual, involving all departments as well as external service providers and stakeholders.

Audits of seasonal work sites

During the major summer and winter breaks, more than 100 audits are carried out. Thanks to our daily coordination meetings and our special CSST dedicated to subcontractors, we are seeing a noticeable change in the working practices of our service providers.

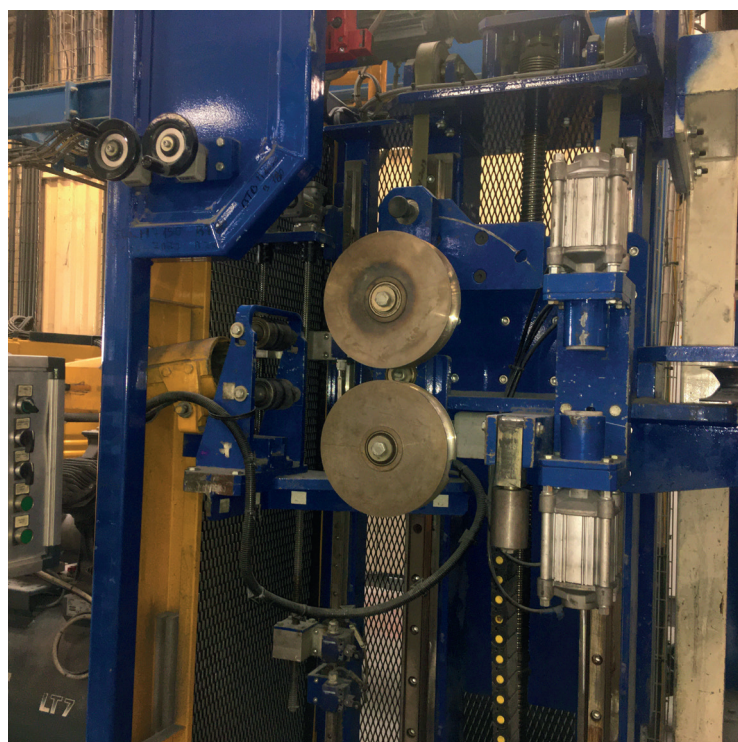
We are pursuing our goal of developing daily operational security. In this context, in 2021, the Ugine site has implemented an optimised system of equipment consignment which has required us to upgrade thousands of consignment points.



Future actions

2022 will be the fifth year of the implementation of our Health Safety Ergonomics (HSE) strategy. For this year we want to:

- Continue our work on the risk of hand injuries, with all our sites.
- Initiate an in-depth approach to safety culture, to mobilise the players and anchor better uses.
- Continue to develop a process-based management system in line with ISO 45001.
- Engage the Wire Rod Finishing workshop in the GESIM safety challenge for a final in 2023.
- Redefine the roles and responsibilities of Health Safety Ergonomics within our new organisation.
- Continue to develop the skills of our teams.
- Encourage our sites to share their solutions and ideas in order to put HSE at the heart of all concerns.



Performance monitoring

Lost time injury frequency rate (LTIFR)

2021

1,8

2020

3,7

Quality of Life at Work Index

2021

63 %

2018

62 %

Attractiveness and equal opportunities

Definition of the issue

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

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

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

At the same time, it is important to be aware of our environment and to have a good understanding of the jobs that are in demand on the job market. To do this, we have deployed a strategy of «Employer Brand» to attract candidates to the industrial jobs of the future.

Annual recurring targets / KPIs

To welcome each year

50 Apprentices
under professionalization, CIFRE or VIE contracts.

65 Trainee schools

Gender diversity

have **20 %** women in the workforce

Qualitative objectives

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



Seduction film made for the employer brand campaign



Existing actions

Despite the still uncertain economic situation, Ugitech has been able to continue not only to maintain its work organisation but also to pursue its recruitment efforts by taking on more than **80 new permanent employees**.



Employer Brand

In 2021, we continued to bring our Ugitech Employer Brand to life in order to achieve 3 major objectives:

- **Develop the geographical reach of the Ugitech brand among the general public.**
- **Consolidate and develop our partnerships with schools and training organisations.**
- **Develop our recruitment communication through the use of new visuals and messages that have been disseminated through modern communication tools.**

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

In 2021, we wanted to focus on physical actions to get back in touch with the public and promote Ugitech's employer brand through local actions.

We participated in various events: In conjunction with the UIMM of Savoie, we were present at the French Fab Tour in Chambéry, at the "Industry Week" in Albertville and at the Foire de Savoie. These 3 events aim to promote the metalworking professions to the general public (schoolchildren, high school students and adults, job seekers or not).

We also took part in the Science Festival to raise public awareness of metallurgy through demonstrations of scientific experiments. Finally, through our relations with schools, we took part in various job dating events to recruit trainees and apprentices.

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



Youth Policy

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

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

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

- **Strengthen our partnerships with schools and historical associations and develop new relationships with target schools. These partnerships involve participation in various actions: recruitment fairs, company visits, course or conference presentations, business projects with students, HR workshops, CV / cover letter / recruitment interview advice, etc.**

- To perpetuate a sustained policy of welcoming trainees in terms of volume and quality (of all levels), in order to meet real needs in the services. We are focusing on our shortage occupations.

- Maintain and strengthen an ambitious policy for the reception of work-study students in order to :
 - Actively participate in the training of young people in the industry, to meet our social commitment.
 - Hosting a significant number of work-study students in France, distributed among the business lines:
 - of maintenance,
 - production-related,
 - support functions.
- Animate this pool of young talent: Integration day for alternating students; Office of Alternating Students/Interns to create dedicated events throughout the year.

Satisfaction survey 2021 :

Ugitech has been awarded the «Best Trainee Experience» label by Speak And Act. We were directly included in the TOP 20 of companies with the best ratings from interns and work-study students, with an average satisfaction rating of 3.8/5. For the past 4 years, our commitment has been reflected in the signing of concrete and binding partnerships:

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

The Brionne site has been awarded the «Welcoming enterprise in Région de Bernay» label, created by a group of employers in the Bernay region. It allows companies to capture and share good practices in terms of recruitment, induction of new recruits, training, etc.

Diversification and differentiation of our recruitment processes:

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

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

To identify our internal talent, we have implemented a talent, job and skills management tool: Talentsoft.

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

To identify our future talent externally and raise our standards, we have defined and deployed a differentiated and tailor-made recruitment strategy for each audience by developing innovative recruitment solutions and new supplier partnerships.



Our recruitment strategy

In order to meet our needs and given the tension in our employment areas, we are implementing multiple and diversified recruitment solutions.

Hosted interim solution

Target: profiles close to the industry

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

Solution of direct recruitment on permanent contracts

Target: trained and highly experienced profiles in the industry.

Issues: filling critical jobs with qualified personnel.

Apprenticeship recruitment solution

Target: profiles trained by us.

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

How: apprenticeship contract.

In addition to these recruitment solutions, an integration solution is implemented via a certification training course.

Target: profiles far removed from the industry.

Issues: anticipation of exercise volume, non-critical jobs.

How: selection by the Simulation Recruitment Method, professionalization contract leading to a CQPM (Joint qualification certification of the metallurgy industry).

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

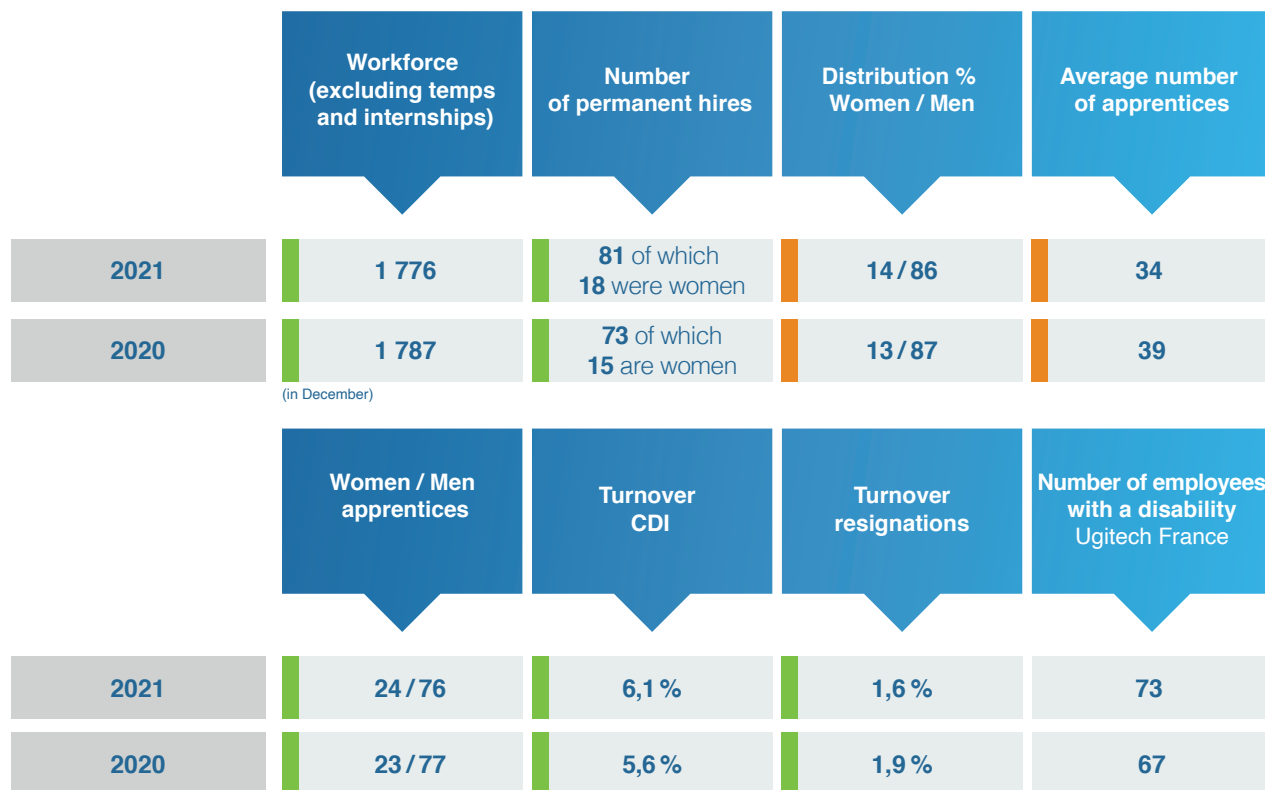
A real breeding ground for our future hires!



Future actions

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

Performance monitoring



Social dialogue

Definition of the issue

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

Qualitative objectives

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

Existing actions

Social dialogue remains intense

The promotion of a responsible social dialogue continued in 2021.

An agreement defining the means of operation and the recognition of the tasks of employee representatives was signed in 2021. It will enable all employee representatives to exercise their mandate more effectively and to value the commitment of these employees in the social dialogue.

At the same time, management is at the heart of the social dialogue in the company. In order to strengthen this role, specific support has been implemented for the entire managerial line. Thus, 127 managers have received training on this subject.

Overall, during the course of 2021, ten agreements were negotiated and signed, three of which are part of the improvement of the quality of work life for employees.

Optimal Quality of Life at Work at home

Since 2019, Ugitech has implemented teleworking as part of a company agreement.

The major health crisis at Covid 19 led us to deploy teleworking on a very large scale, which required emergency organisation to give employees the means to work from home.

In this particular context and out of concern for the working conditions and health of employees, Ugitech wanted to make a more in-depth assessment of the situation experienced by teleworkers. Two surveys were conducted in 2020. The results showed that employees like to work from home, despite the constraints they face. Telework alternating with face-to-face work is very popular.

In April 2021, this subject was concluded by a signature with our social partners. The measures in this agreement replace the exceptional measures put in place during the health crisis period.



For this agreement, the social partners wanted to take into account the needs of employees in their search for a professional/private life balance.

This evolution of the quality of work life and the work organisation takes in consideration the needs of the company, whether in terms of organisational flexibility, maintaining collective links at work or responding our customers' needs.

Maintaining a balance between the needs of the employees and those of the company was at the heart of the negotiations.

Two types of telework have been set up: one regular and the other ad hoc. They allow employees whose activity is compatible with telework, to benefit from a package of 66 annual days of telework.

Professional equality

Action plans on professional equality between women and men are defined in the agreement of 15 November 2019. In 2021, Ugitech remained mobilised on this subject by ensuring equal treatment in terms of professional development within the company.

The gender equality index reached 78/100 in 2021. Our actions will continue in 2022.

Details of this index can be found on the homepage of our website.

Managing disability situations

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

In order to achieve this, it is essential to change the cultural representations of disability. This requires the implementation of an action plan linked to the challenges of disability that affects all levels of the company - management, supervisors, staff representatives and employees.

For the National Disability Week from 15 to 21

November 2021, a major disability game was deployed at Ugitech.

November 2021, a major disability game was deployed at Ugitech.

For a week, this campaign was based on posters and the Handipousuit game deployed by Agefiph. More than 800 games were played, 14,000 questions were answered and the participation rate was 45%.

This year we raised awareness of disability among our managers during an information meeting led by disability professionals.

Finally, 2021 was the occasion to host our first Duo Day!

The principle is simple:

On the occasion of the National Disability Week, we welcomed a person with a disability. For a whole day, this person was accompanied by a professional volunteer in our central shop.

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

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

The open-mindedness of our teams through this day will allow us to continue and develop this action in 2022.



Soft mobility

Thanks to a working group and employee representatives, a company agreement has validated the introduction of new soft mobility solutions in 2021.

The first solution, in close collaboration with our partner Arlysère, was to set up a carpooling application called Klaxit. This application allows drivers and passengers to network and to limit individual car transport by being alone. This solution pays the driver and for the passenger, it is free!

The second solution was to test the free provision of a fleet of electric bikes for our employees. As a result of this test, 5 different models of bicycles are available on a self-service basis for home-work journeys.

With our service provider IDMoving, we will be able to offer a 15% discount on the purchase of an electric bike for commuting to work to our most regular users.

At the same time, our Technical Department worked to install new bicycle racks to meet the high demand during the summer.

Finally, we participated for the first time in the Mobility Challenge, the objective being to communicate on soft transport on this occasion and to create a dynamic on the subject.

Because we are convinced that these alternatives contribute to the well-being at work and to the well-being of our planet, Ugitech will organise a ceremony each year to recognise all those involved in these projects.



Actions à venir

- Prepare the implementation of the new agreement in relation with the staff representatives within Ugitech.
- Implement the action plan resulting from the survey carried out in 2021.
- Continue to implement the actions defined in the field of prevention of arduousness, disability management and professional equality between women and men and men in order to contribute to the improvement of the quality of life at work of employees.
- Supporting the implementation of chosen telework.
- Continue to develop the soft mobility actions initiated in 2021.

	Number of agreements signed / Number of agreements negotiated	QWL Index Ugitech France	Gender Equality Index Ugitech France	Tax paid for the employment of disabled employees Ugitech France
2021	10 / 10	63 %	78 / 100 points	86 000 €
2020	7 / 7	62 %	88 / 100 points	64 188 €

Skills development and training access

Definition of the issue

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

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

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

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

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

Annual recurring targets / KPIs

Our objective is to invest at least

3% of our payroll

in the training budget

Qualitative objectives

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

Existing actions

Action plan for job and career management

In 2021, we started the deployment of an ambitious action plan initiated in 2020.

These actions include

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

Competency Development Plan

Ugitech 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 capitalise on our business know-how and to develop skills.

Thus, Ugitech's training policy aims to:

- perpetuate the company's current business know-how and acquire the know-how it will need in the future to continue to be a leader in its markets,
- ensure an efficient transfer of skills,
- implement a comprehensive approach to career paths,
- enable everyone to have access throughout their career to the training schemes necessary for the proper exercise of their profession and for the success of their career path,
- implement innovative learning solutions, including through digitalisation.

2021 was a period of recovery after Covid for Ugitech, and therefore for training.

This period was an opportunity to implement skills development and maintenance training that had not been possible the previous year, always favouring the distance learning format when possible.

More than 29,000 hours of completed training in the Skills Development Plan in 2021.

The training guidelines are defined in line with the company's CAP 2025 strategy:

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

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





Deployment of an internal school...

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

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

- a team leader course,
- an Autonomous Industrial Production Operator course,
- an Internal Trainer course
- a framework transition course.

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

The mastery and transmission of know-how are important issues for Ugitech.

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

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

To help our in-house trainers in their skills development, a certification course has been set up since 2019 with 11 already certified people.

The objective of the approach is to identify and enhance the skills of our internal trainers and to support their development.

Others have started additional training for the implementation of the certification during 2022.

..and its Managerial Culture Component

Managerial culture can be defined by the ways of being and acting shared within a group of managers and 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 the collective and the commitment of the teams. The challenges of the managerial culture approach are to enable the creation of a common language and common benchmarks for all Ugitech managers.

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

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

The managerial positions within Ugitech are:

- Staying agile and innovative to continuously adapt in a fast-moving world.
- Trusting each other through stronger delegation/subsidiarity to be more effective.
- Giving meaning and working across the board.
- To be demanding and benevolent in ensuring our performance, with careful listening.
- To be exemplary by respecting the rules and commitments.

The entire management line will benefit from Management Culture Days which are organised around 3 workshops:

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

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

The first three workshops are complemented by five perpetuation modules that correspond to each of the postures.

By combining external contributions and internal activities, they allow the work begun during the first three days of the process to continue.

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

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

This pair will meet throughout the Management Culture process.

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

Digitalisation for HR development

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

At the same time, we have finalised a series of e-learning modules for new recruits covering the subjects of site traffic, finance and energy.

Finally, we have also digitalised the safety induction for new recruits on their first day on site, but also for external companies. This allows us to have a complete and homogeneous transmission of information, while optimising the availability of our prevention officers and internal delegates.

To facilitate access to these digital modules, we have set up permanent offices in our computer room. Tablets have also been made available, in particular for answering positioning questionnaires and end-of-training tests.

In 2021, all managers and TAs have completed their annual objective setting interview in the performance assessment module.

Future actions

- Deployment of HRIS access to all employees, including those in production.
- 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 Management Culture approach.
- Continuation of the deployment of actions linked to the Management of Jobs and Professional Careers.
- Communication plan on the Internal School.

	Number of hours of training Ugitech France	Average number of days of training per person / year (excluding temporary workers) and trainees) Ugitech France	Training : % of total wage bill Ugitech France
2021	69 916 hours	4,23 days	2,5 %
2020	37 927 hours	2,4 days	2,1 %
Of which tool training			
2021	40 949 hours		
2020	23 207 hours		
Of which training in other areas			
2021	20 396 hours		
2020	7 875 hours		
Of which safety training			
2021	8 571 hours		
2020	6 845 hours		

A long-lasting partnership with High Schools and Universities

Definition of the issue

Ugitech, like industry in general, has a poor image, particularly among young people. The challenge is clear: to increase our attractiveness by promoting our professions and our company, not only at the Ugine site but also at our regional sites.

Qualitative objectives

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

Annual recurring targets / KPIs

A regular level of school visits:

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

Existing actions

Thanks to the Ambassadors

The Ugitech Ambassadors Association has been in existence for 6 years. This association brings together twenty young retirees from the company who wish to remain in touch with the working world. Their role is to represent Ugitech at various events in secondary schools and universities, but above all to respond favourably to requests to visit the Ugine industrial site. This allows us to open up our company more widely not only to schools, but also to economic and institutional associations.

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

- Creation of mini-companies at the college,
- Simulation of 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),
- Health and safety at work actions with IUT mesure physique Annecy and University of Grenoble,
- Joint work on partnership projects between Ugitech and the town of Ugine.

The actions and visits of our ambassadors have been very strongly impacted by the pandemic.



As a potential recruiter

For several years, Ugitech has been experiencing a very strong recruitment dynamic.

We regularly communicate that the company is recruiting.

Ugitech is a member of the Club Entreprises de l'Université Savoie Mont-Blanc. This gives the company real visibility among students, but also, and above all, allows Ugitech to forge and strengthen links with the university world.



Future actions

- Maintaining the actions of the Ambassadors and reinforce these actions by the Recruitment and Employer Brand Manager.
- Putting in place a real strategy
We have also developed a school relations policy by listing all our actions throughout the year.
- Representing Ugitech at meetings with students: presentations of professions, career paths, forums, etc.
- Strengthen and consolidate initiatives taken at other sites: initiate partnerships with schools close to our remote sites.

Performance monitoring

Number of visits Schools / High schools / Universities

2021

8

2020

10



Business relations and territory

Employee engagement

Definition of the issue

Ugitech wishes to disseminate and maintain its values and corporate culture. In this context, a number of internal events are organised to foster a sense of belonging but also to raise awareness of new themes among our employees.

Annual recurring targets
/ KPIs

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

Qualitative objectives

Maintain the spirit of cohesion within Ugitech.

Actions in 2021

The health crisis that shook the world in 2020 and continued in 2021 has

shaken up the organisation of our internal events for the cohesion and commitment of employees.

Most of our projects in the 2021 communication plan have been suspended, postponed to a later date to be defined...

However, Ugitech was able to participate in the ODYSSEA charity race with 24 employees running under the company's colours.

Future actions

Following the dramatic accident of 3 January 2022, the events planned have been suspended and to date we have not planned any rescheduling dates.

Performance monitoring

Number of internal events

2021

1

2020

2



Contributions to the territories

Definition of the issue

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

Qualitative objectives

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

Annual recurring targets / KPIs

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

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



Existing actions

Work on the Ugitech waste heat recovery project for the urban heating network of the city of Ugine and the UGI'RING project.

On 20 May 2021, Mr Patrick Lamarque d'Arrouzat, Managing Director of Ugitech, received a number of elected representatives and representatives of state and financial bodies with two main objectives:

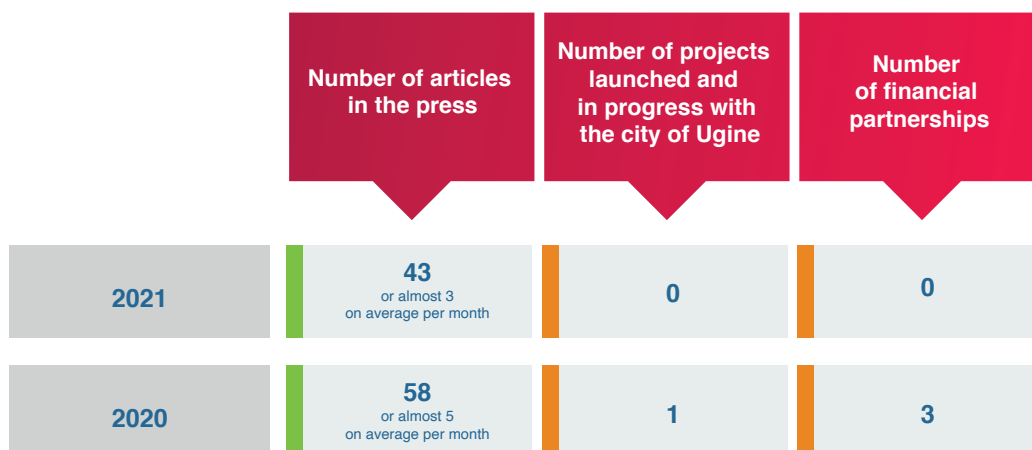
- Visit the work on the waste heat recovery project and review progress,
- Receive from the Prefect of Savoie, financial aid within the framework of France Relance for the UGI'RING project, the first circular steel mill in the world.

Local engagement

Despite the health crisis, we are maintaining our local commitments through several networks in the various departments where Ugitech is present: Mécabourg, UIMM, AFPMA, etc.

Future actions

Following the dramatic accident on 3 January 2022, the planned events have been suspended and to date we have not planned any postponement dates.



Ethics and internal control

Definition of the issue

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

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

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

Annual recurring targets / KPIs

Informing **100 %**
of our staff on our code of conduct and provide the necessary means to alert on a compliance failure.

Our aim is to be free **from corruption and obstruction** to free competition.

Each year an external audit firm **validates our internal control system.**

Qualitative objectives

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

Existing actions

The Swiss Steel Group has a Compliance Department within its organisation that serves all Group entities. This department focuses on the prevention of corruption and antitrust violations. The main task of Compliance is to implement a Compliance Management System that meets the company's requirements

in the face of its environment and to deploy it in all its subsidiaries.

In each entity the CEO is specifically responsible for compliance. He has been supported in this task by a person for several years. She has been appointed as BU Compliance Officer at the end of 2021.

Together they provide the Group Compliance Department with the necessary support for the implementation of the Compliance programme. They provide local expertise in the creation and adaptation of internal guidelines.

The following measures have been implemented:

The Code of Conduct

The Code of Conduct deals in particular with equal opportunities, prohibition of discrimination, management of conflicts of interest, prevention of corruption and anti-trust violations. It also deals with environmental aspects and working conditions.

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

An update of the code of conduct is planned for 2022.

Since 2019 a specific Code of Conduct for suppliers has been transmitted. This document asks them to commit to it.



The Anti-Bribery and Antitrust Guidelines

It is a document that contains practical examples, checklists and explanatory notes on anti-bribery and anti-trust behaviour. The guidelines also detail the sanctions and actions to be taken if violations of our Compliance rules are reported.

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

The main points of the Code of Conduct, antitrust, anti-corruption and data protection have been compiled in a brochure. Since 2019, «Compliance at a glance» has been available to our employees on our intranet site.

The Compliance Charter

It describes the principles on which the Compliance Officer acts. It was updated in 2020 to clarify the role of each, the scope of its application and renamed the 'Compliance Organisation Directive'.

On-site and e-learning Compliance Training

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

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

These courses combine learning and exploration of real-life cases.

In 2021, six training modules have been rolled out as e-learning to all relevant employees:

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

Data protection

In 2021, we continued to work with the Group on an in-depth study on data protection (RGPD).

After the processes affected by this regulation were identified and described, procedures were put in place and internal communications were carried out.

Other actions are being deployed and will continue in 2022.

An internal warning system

Swiss Steel Group has made available to all Ugitech staff since 2015 a means to submit information regarding a breach of our Compliance rules.

If standard alert channels fail, employees can use this free, 24/7, 365-day professional alert system as a last resort.

Speak-Up Line (internet and telephone service)

This system allows any employee to report crimes through a highly secure process:

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

Further communications will be planned on this subject in 2022.

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

- 1.** Code of Conduct, integrated into the internal regulations;
- 2.** Internal whistleblowing system for the collection of employee reports;
- 3.** Mapping of corruption risks by business sector and geographical area in which the company operates;
- 4.** Procedures for assessing the situation of customers, first-tier suppliers and intermediaries with regard to risk mapping;
- 5.** Accounting control procedures, internal or external, to ensure that books, records and accounts are not used to conceal corruption or influence peddling;
- 6.** Training scheme for the most exposed managers and staff;
- 7.** Disciplinary system for sanctioning company employees for violations of the company's Code of Conduct;
- 8.** Internal monitoring and evaluation of the measures implemented.

An in-depth study of our compliance with the SAPIN II Act was carried out in 2019 by a specialist service provider. The conclusions of this study led to a very favourable finding with regard to our anti-corruption measures. Areas for improvement were defined.

Our Internal Control System

As Swiss Steel Group is listed on the Swiss stock exchange, our Group and each Group subsidiary must annually demonstrate the existence of an internal control system.

Work on the Internal Control System (ICS) started in 2006. Since 2008 it has been updated annually and in 2019 it has been integrated into the overall risk mapping.

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

Each process is thus composed of a matrix of internal controls.

The matrices consist of a list of potential risks with regard to the CSI. 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 (details of the control carried out, the person carrying it out, the reasons why it is done, the way it is done, the media and the frequency) and the list of supporting documents is drawn up. There are 109 internal controls referenced in Ugitech's ICS in total.

Every year since 2008, Ugitech's ICS has been reviewed in its entirety (100% of the 109 internal controls). Internally, each of the managers updates the descriptive sheets for their area. In all cases, 100% of the evidence documentation dated for the current year is collected.

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

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

The existence of Ugitech's internal control system was validated in 2021 by an external audit firm as it has been every year since its creation in 2008.



Future actions

- Pursue complementary actions with regard to corruption (SAPIN II law).
- Continue to verify the correct application of the General Data Protection Regulation (GDPR). Implement corrective actions and continue communications on the subject.
- Continue to make compliance and ethics documentation available for better information sharing.
- Regularly train and inform our sales staff on the rules and conduct to be observed with our business partners.
- E-learning training on ethics, anti-corruption, antitrust, data protection and other compliance topics.
- Update our code of conduct.
- Communicate about our alert system.

	Code of conduct made available	Alerts filed (speak-up line / Ombuds System)	Internal control system	Convictions and fines for non-compliance
2021	100 %	0 complaints or alerts	OK	0 convictions or fines
2020	100 %	0 complaints or alerts	OK	0 convictions or fines

Responsible purchasing

Definition of the issue

The challenge of sustainable procurement is to:

- Reduce our environmental footprint;
- Develop circular economies;
- Amplify relationships with our local partners;
- Support our suppliers in achieving excellence and to ensure that they adhere to our ethical values.

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

Qualitative objectives

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

- The use of proximity ;
- Priority to the purchase of recycled products, delivery by rail and / or in bulk;
- Recycling and spiking our residues for reintegration into our process.

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

To go further, a process that consists of being better informed about the Corporate Social Responsibility (CSR) of our suppliers is currently being developed. This project aims to rely on external expertise (such as a paying database) to gather the right information in good time, i.e. before any transaction.

Our role is also to promote the Group's ethical rules through our code of conduct and our terms of reference.

Existing actions

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

Anticipate and adapt quickly to events that may occur in the markets

In a global 2021 context that is highly disrupted due to Covid 19, we have intensified our European flows to cope with logistical instability and numerous ship delays.

Constantly optimising costs and productivity

As part of our continuous improvement process, we have studied, implemented and validated a solution for doping our residues with our current recycling partner.

This doping is carried out using other waste in compliance with regulations. This approach allows us to increase the nickel content and boost the burial of our revalorised residues.

Recovering our waste

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

Doping is carried out using other waste in compliance with regulations. This approach allows us to increase the nickel content and boost the burial of our revalorised waste.

2021 also saw the start of a new partnership for the recycling of nickel and molybdenum waste. This collaboration allows us to significantly reduce the carbon footprint compared to units directly from the mining sector.

Energy

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

To develop supplier partnerships with a view to creating mutual value.

We celebrate 10 years of engagement with our partner PO Scandex. We participated in EFQM for the implementation of multimodal.

We have renewed the partnership for the next four years with the objective of doubling this modal use. Together, we want to anticipate future transformations to strengthen our customer offer and the flexibility of our supply chain.

Controlling supplier risk.

A partnership has been launched with a platform that allows us to manage and control third-party risk. This platform stores and controls regulatory documents, alerts the client and reminds the supplier if necessary.

Training and awareness-raising

All employees are trained in corruption and compliance throughout the Swiss Steel Group. We have set up an evaluation of our suppliers based on themes related to Corporate Social Responsibility

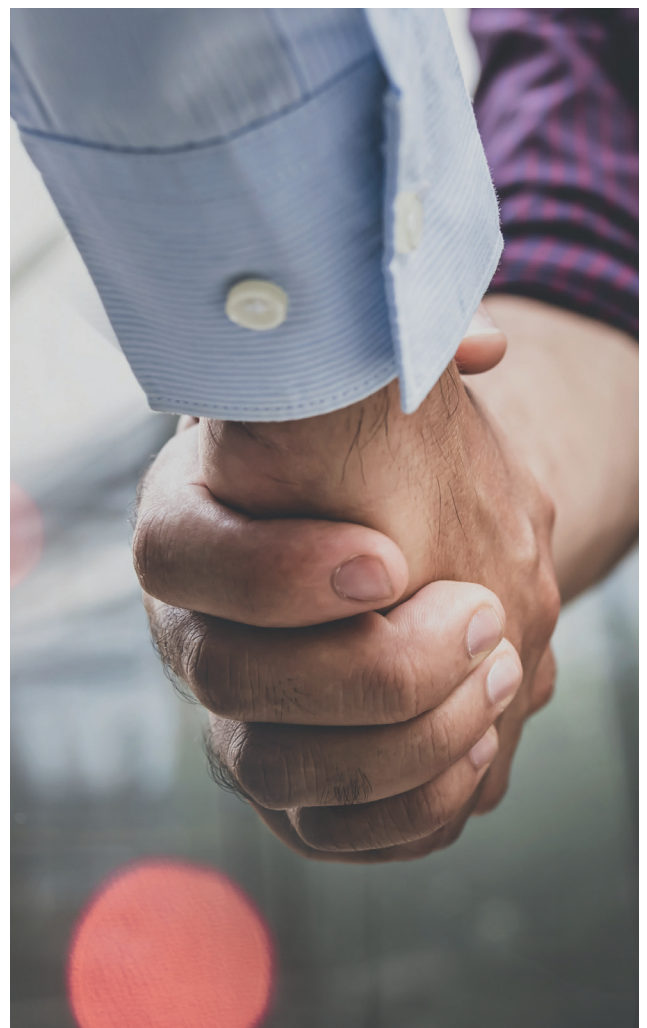
Ugitech is developing a partnership with its strategic suppliers with the aim of developing a continuous improvement approach. This approach is initiated in particular with our strategic suppliers and is defined by the implementation and monitoring of quality assessments, audits and annual evaluations.

Depending on the results of these initiatives, action plans are undertaken with our partners with a view to continuous progress.

We could mention in this context:

- the partnership with Fenwick for the study of a hydrogen-powered forklift truck,
- the Engie Cofely partnership for the monitoring and reduction of polluting refrigerants as well as the reduction of our consumption for heating and air conditioning.

Our ambition for 2021 and 2022 is to continue to renew our service contracts and then to include CSR-related progress.



Future actions

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

- Develop the purchase of recycled products in partnership with our customers.
- Optimise the audit process by emphasising the CSR part.
- Develop a rating system for social and environmental performance.



Performance monitoring

Use of bulk packaging (MP, scrap)

2021

99,1 %

2020

98,5 %

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

2021

81 %

2020

80 %

Taxation

Legal structure Tax compliance Anti-fraud

Legal structure

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

Organisation & tax legislation

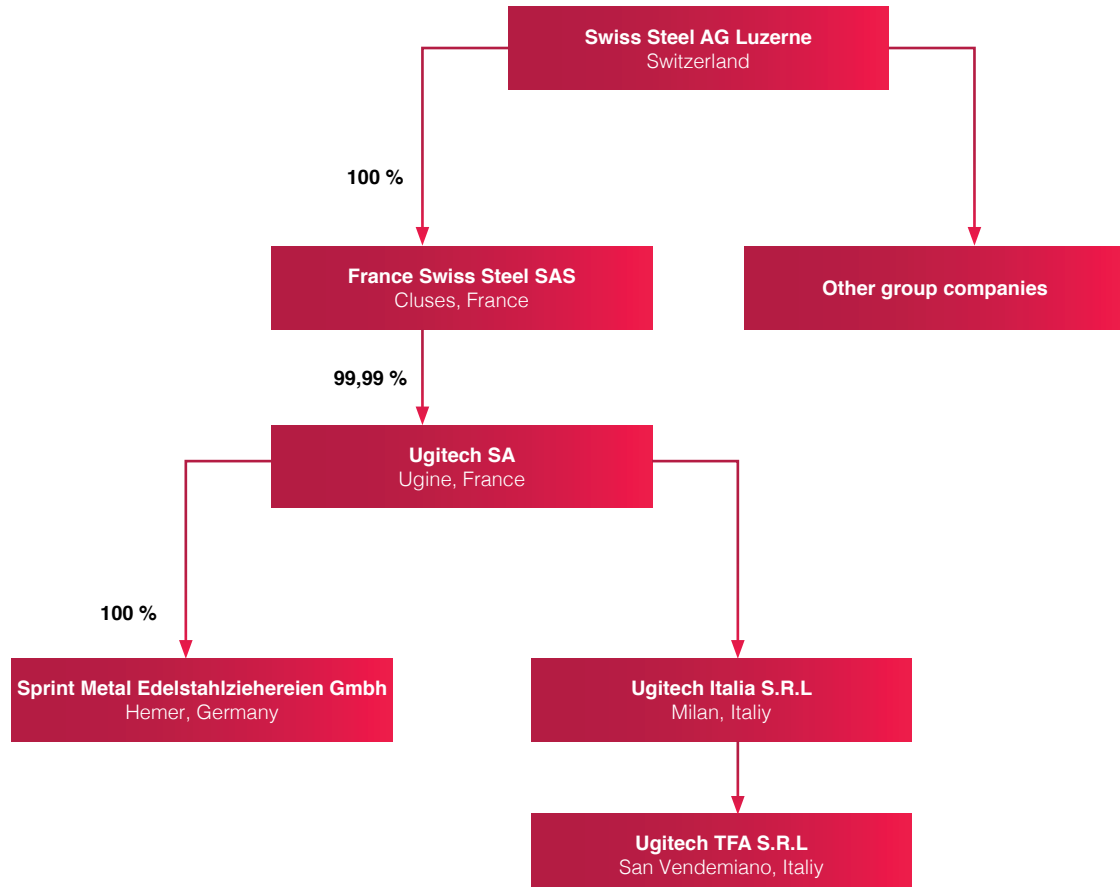
Ugitech SA does not have any branches or subsidiaries operating in countries with privileged tax status.

Ugitech SA does not carry out any operations abroad that would fall under the concept of permanent establishments within the meaning of international agreements or the applicable criteria defining a permanent establishment in the absence of an agreement.

Information system & internal control

All accounting is computerised through the SAP software package

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



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

The Tax Accounting department ensures that the rules implemented in the information system comply with the requirements and validates changes through functional tests.

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

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

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

Internal control ensures compliance with the tax legislation in force and the protection of data and its archiving.

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

Actions taken during the year:

Dematerialisation of supplier invoices.

Future actions:

Preparation of electronic invoicing.

Computerised accounting

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

This accounting entry file must meet codified standards.

Existing actions :

- FEC compliance: For each tax year, Ugitech SA ensures compliance with the standards published by the DGFiP.
- FEC test.

Accounting & tax organisation: internal control

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

The accounting department is assisted as necessary by external advice.

Organization to comply with applicable legislation:

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

The process is as follows:

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

More specifically for Ugitech SA, the tax manager draws up a table tracking the main taxes and analyses the differences with the amounts declared and estimates the tax over 5 years.

Training & Expertise:

Each employee is an accounting and tax professional with an accounting background. Specific internal and/or external training courses are provided to ensure that the knowledge and versatility of our staff is kept up to date.

Annual training plan:

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

Audit & control of accounts

Scope of the mission:

For the certification of accounts:

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

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

State - local authorities and taxation

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

The company is liable for corporate income tax (IS) in France and is attached to the 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 fulfils its tax declaration and payment obligations within the required timeframe.

Subsidiaries comply with local tax laws.

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

Tax integration

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

International Activities - Transfer Pricing: Compliance

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

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

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

Existing actions:

Since 2010, Ugitech SA has been preparing

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

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

Transfer pricing is reviewed as part of the company's internal control.

Future action:

- Update of transfer pricing documentation 2021.

Value Added Tax





VAT identification

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

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

Existing actions:

- Ugitech SA is identified for VAT in France.
- Ugitech SA is identified for VAT in Germany.
- Ugitech SA is identified for VAT in Italy.
- Cross-checking of VAT returns and DEBs.
- Monthly VAT return and reconciliation with turnover.

Future action:

- VAT - Electronic invoices - Invoices secured by controls establishing a reliable audit trail.

The implementation by the taxable person of controls establishing a reliable audit trail between the invoice issued or received and the supply of goods or services on which it is based, is one of the processes which, pursuant to Article 289(1) of the General Tax Code (CGI), ensures the authenticity

of the origin, the integrity of the content and the legibility of invoices. One of the objectives of Directive 2010/45/EU of 13 July 2010 is to encourage the use of electronic invoicing. Taxable persons may now use any technical means allowing the dematerialised transmission of invoices.

However, in order to prevent any risk of value added tax fraud and to further secure the invoicing system, the means used must be accompanied by the implementation of controls establishing a reliable audit trail between the invoices issued and received and the supply of goods or services on which they are based.

Ugitech uses dematerialised invoicing of its turnover.

Ugitech is committed to the reliable audit trail approach.

Existing actions:

- VIES test of the VAT identification numbers of Ugitech SA's suppliers.
- VIES test of the VAT identification numbers of Ugitech SA's clients.

Future actions:

- Preparation of electronic invoicing.

Tax compliance

Because it is part of the DGE, accounting audits are the

responsibility of the Directorate of National and International Audits (DVNI).

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

Customs & compliance dual-use goods

Ugitech SA has been an Authorised Economic Operator (AEO) since 2014 and carries out its own import customs clearance operations.

Since 2017, the company has benefited from the Community Centralised Customs Clearance procedure allowing it to carry out import or export operations in several EU Member States, while centralising its customs formalities in France.

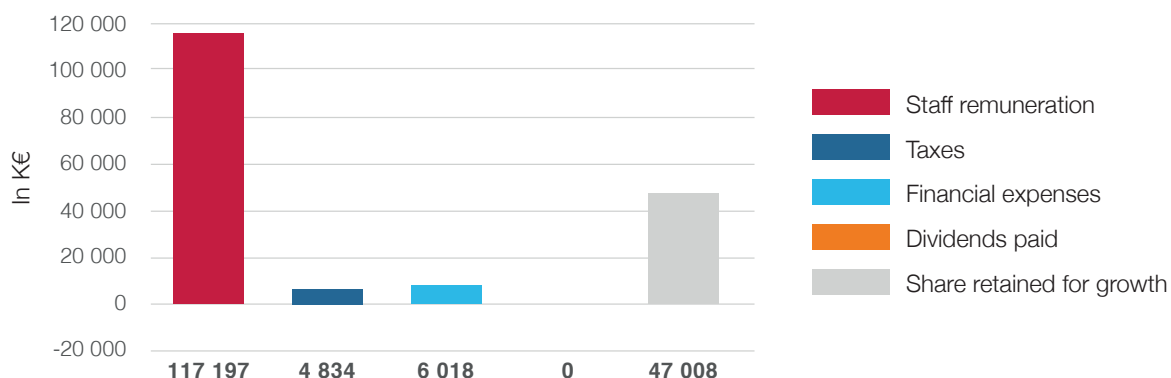
This label and authorisation, which are strategic for Ugitech, demonstrate our reliability (control of our customs

processes, compliance, safety/security of sites, etc.) to the French customs authorities.

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

In case of doubt, the company asks the SBDU (Customs Directorate) for validation.

Breakdown of value added by item



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