



SUSTAINABLE DEVELOPMENT REPORT

Extract from the 2022 Universal Registration Document

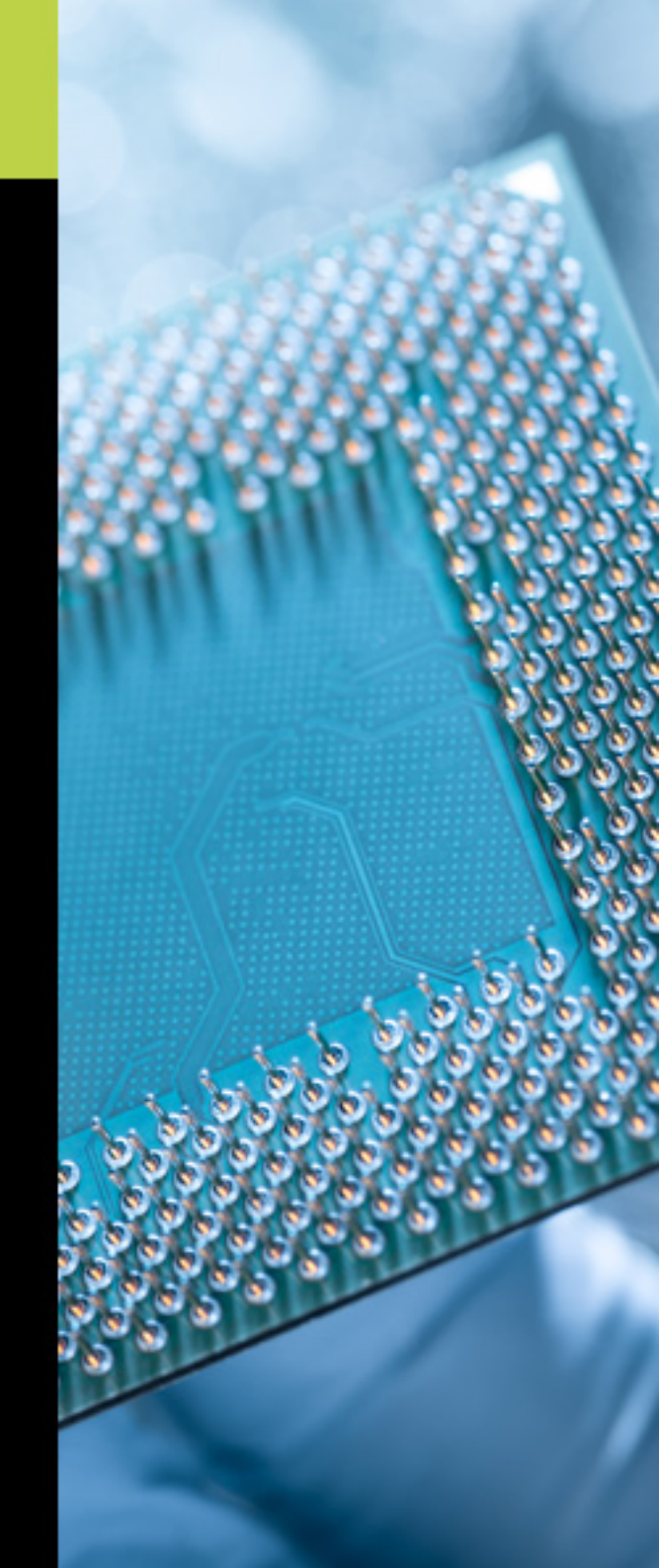
2022





SUSTAINABLE DEVELOPMENT

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In line with a sustainable development approach and the desire to make a positive contribution to the world, ACTIA was once again recognised and awarded in 2022 by the GAÏA Index, the benchmark Sustainable Development Index for mid-caps. Ranked 65th out of 281 companies evaluated in its revenue category, ACTIA Group confirms its involvement in the CSR approach.

The 2021 ECOVADIS silver medal was not sought in 2022.



1 THE ACTIA BUSINESS MODEL

1.1 OUR IDENTITY

As a family-owned mid-market company, the co-founders and their families directly or indirectly hold more than 50% of the Group's share capital and 62% of the voting rights, which ensures the long-term nature of the Company and a consistency of approach, in terms of both company culture and strategy.

1.2 OUR VALUES

ACTIA's strategic positioning reflects a very precise mission:

To meet the technological and industrial challenges of innovative, value-creating and sustainable electronics for each of our customers:

ELECTRONICS MOVING FORWARD

It corresponds to a strategic vision:

- ⦿ To be the leader or benchmark player internationally in the desired Strategic Business Areas (SBAs) and improve the awareness of a strong brand;
- ⦿ To expand across the value chain to maintain our margins and reinforce the consistency and competitiveness of our offers;

- ⦿ To be opportunistic and smart in a changing world;
- ⦿ To remain independent in our strategic choices.

Based on our values:

- ⦿ **Innovation:** ACTIA is a technology company with the resources and methods to create complex products and projects.
- ⦿ **Operational agility:** as a mid-market company, ACTIA stands out for its service-mindedness and its ability to reduce complexity to create value for its customers.
- ⦿ **A people-centred company:** respect for people and professional ethics take precedence over all other considerations.

Thanks to its values and innovation abilities, ACTIA has established itself despite very strong global competition from international groups.

Developing a committed and sustainable business model, ACTIA implements a CSR approach co-built by all stakeholders through:

- ⊙ Responsible governance:
 - Family governance with long-term objectives,
 - Ethical governance and regulatory compliance: Code of Ethics, Anti-corruption Code, whistleblowing system, compliance with the labour law, human rights, responsible purchasing policy, etc.
 - Governance that guarantees the business plan, its legibility for stakeholders and its sustainability.

1.3 OUR BUSINESS MODEL

The ACTIA business model is based on the goal of making a positive contribution to the world, externally in the fields of mobility, virtuous agriculture, energy and telecommunications, and internally through the development of the wealth of talent that comprises it, based on its expertise in its two main areas of focus: design and production.

To retain and develop its human and industrial capital, ACTIA's strategy revolves around two pillars that form the drivers of its growth:

- ⊙ Clearly identified positioning and key success factors:
 - Entrepreneurial spirit and a sense of responsibility that drive the Group and underpin its culture;
 - The pursuit of operational excellence in terms of both manufacturing facilities and the design process, which is evidenced by very large numbers of certifications in France and internationally;
 - The ability to adapt and act faced with rapidly changing markets and technologies;
 - Risk management which is expressed, in particular, by addressing very diverse market segments using the same technology with different lifecycles.

- ⊙ A social model:
 - A Group on a human scale that respects its teams, their safety, their health and their development,
 - A Group invested locally for a positive societal impact in its areas of operation,
 - Commitments in action: training to develop skills, talents and autonomy; inclusion to welcome differences and promote diversity; quality of life at work to co-build a collective and individual enriching experience; development of partnerships for a positive local impact.
- ⊙ An environmental model:
 - A contribution to our customers' carbon footprint reduction objectives,
 - Design and manufacture of solutions for eco-responsible mobility,
 - A commitment: All of our industrial sites are ISO 14001-certified.
- ⊙ A growth strategy based on:
 - Niches in which ACTIA is either acknowledged as a market leader or has the means to become one;
 - Rising in the value chain to gradually deploy a more comprehensive range of systems and complete solutions;
 - A high capacity for innovation and Research & Development.

ACTIA is mobilising its strengths in a highly competitive and constantly changing environment.

Our entrepreneurial culture encourages us to innovate. Our mid-sized organisation ensures our agility, innovation and people-centred mindset.

From products to systems and systems to networks, ACTIA's strategy is to expand across the value chain by offering its customers an increasingly comprehensive range of fully developed solutions based on clearly identified niche markets in which ACTIA then builds a leadership position.

**ACTIA DESIGNER & MANUFACTURER
 OF QUALITY ELECTRONIC SYSTEMS**



2 SCOPE OF CONSOLIDATION

CSR disclosures on social, societal and environmental data are based on the financial consolidation reporting scope as stated in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.

☉ The reporting scope is systematically updated to reflect changes in the Group structure.

The Power Division was not included in the 2022 scope as the business was sold on 1 August 2022. ACTIA Japan is also not included in the scope as the subsidiary has only one employee.

The data covers all of the Group’s subsidiaries, with the exception of those that have no activities requiring resources and have no (or very few) employees of their own, as shown in the following table:

Name	Country	Business lines	Comments
SCI Los Olivos	Spain	Real estate	No headcount
KARFA	Mexico	Administration of holdings	No headcount
ACTIA India	India	Electronics research & manufacturing	In the process of being closed down
SCI Sodimob	France	Real estate	No headcount
SCI de l’Oratoire	France	Real estate	No headcount
ACTIA Japan	Japan	Electronics research & manufacturing	Non-significant headcount
SCI Les Coteaux de Pourville	France	Real estate	No headcount
Power Division		Electronics research & manufacturing	Sale of the business on 01/08/22

It should be noted that these companies may benefit from resources shared with other Group companies, and that the data in question is included in the figures for the latter.

In the interest of clarity, the information in the report is aggregated by segment:

- ☉ Automotive France;
- ☉ Automotive Europe (excl. France);
- ☉ Automotive Tunisia;
- ☉ Automotive rest of the world;
- ☉ Total Automotive;
- ☉ Telecoms (France);
- ☉ Total France;
- ☉ Total Group.

The tables have been produced according to the following methodology:

	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Telecoms	ACTIA Group S.A.
Total Automotive	X	X	X	X		
Total France	X				X	X
Total Group	X	X	X	X	X	X

Note that in all of the tables and charts:

- ⦿ The “Europe” information does not include France, as the information is detailed apart;
- ⦿ The figures in the following tables and charts are derived from data in the management control system.

3 MAIN RISKS AND CHALLENGES

ACTIA is a responsible family-owned company with a long-term vision. Concerned and attentive, ACTIA is witnessing the changes happening around it. These developments include the ongoing climate change as well as transformations in the society, in consumers and in our customers. These changes entail risks which are reviewed each year in the light of the current situation.

Therefore, risk mapping is updated jointly by the Group’s General Management, the CSR Department and the Risk Management Committee in order to take stock of the major risks for the Group. No major societal risk was reported for this reporting period.

This mapping is planned to be shared again with all Group subsidiaries in 2023.

To date, this mapping has highlighted the following risks and challenges for the Group, with the key points to be monitored, i.e.:

- ⦿ Talent recruitment and retention: this is still a very pressing concern for ACTIA. In countries with a flexible job market such as China and the United States, some employees, once trained, do not show a great deal of loyalty to the Company and move on to the best offer. On a smaller scale, this trend is also present in Europe in certain professions, such as software engineering, where demand for these skills has increased significantly due to digitisation. The same holds true in Tunisia where major international groups have headhunted and hired employees of our design office. In addition to the induction and

training costs covered by the Group, the situation can lead to problems in terms of sharing key know-how and impact the Group’s business and, therefore, its results, in a more or less permanent way;

- ⦿ The safety of our employees, in particular by monitoring accidents in the Group and the implementation of the necessary prevention plans;
- ⦿ The fight against absenteeism, with monitoring of the associated indicators and policies;
- ⦿ Skills management, via training monitoring and employee career management tools. In countries where there is full employment or where there are skills shortages, for example software engineers, the recruiting of employees can be difficult, all the more so because the Group is often on the lookout for skills that are in high demand;
- ⦿ Vigilance in terms of the fight against pollution, mainly through the management of waste and water consumption;
- ⦿ Climate change, with tracking and preventive measures in terms of energy consumption. In addition, in 2022, ACTIA initiated its carbon footprint calculation process (Scope 3) through a very precise calculation of the carbon equivalent of an electronic board, a product that is emblematic of the Group’s production. This study was shared with some customers who showed a great interest in our work. This first step should enable us to calculate the Group’s total footprint, in order to set decarbonisation targets in line with the Paris agreements and develop action plans for the coming years.

4 OUR SOCIAL RESPONSIBILITY APPROACH

4.1 OUR EMPLOYEES

4.1.1 Respect for Human rights

All entities within the Group actively promote the application of and compliance with the core conventions of the International Labour Organisation, namely respecting the right of freedom of association and collective bargaining, eliminating discrimination in employment and professional life, abolishing forced labour and the effective abolition of child labour.

Within this framework, CIPI ACTIA, the Tunisian subsidiary, has been a partner of the United Nations Global Compact since 2006. The purpose of the Global Compact is to encourage companies around the world to adopt a socially responsible attitude by committing to taking on board and promoting a number of principles regarding human rights, international labour standards and the fight against corruption. Signing the Global Compact is a deliberate act by the Company. In fact, the member companies commit to making progress every year in each of the four areas covered by the Global Compact and must submit an annual report called Communication on Progress (COP) explaining the progress they have made.

Finally, the entities using the services of subcontractors declare that the latter take care to comply with the core conventions of the International Labour Organisation.

4.1.2 Headcount

Given that ACTIA operates in a global environment which is constantly changing, its on-going growth depends on its ability to attract and retain the best talent, in particular to meet the new technology challenges arising within the Group's business lines.

In addition, special emphasis is now being put on structuring the induction and training process for new employees. Support tools for the employees have been implemented in several Group subsidiaries with, in particular, a new employee induction programme and actions to address quality of life at work, the fight against all forms of discrimination and the promotion of gender equality.

Although headcount had been rising constantly until 2019 in keeping with the growth of the Group, it fell due to the pandemic in 2020. It started to rise again in 2021 to meet the significant demand for activity and the years to come. The 1.2% increase in 2022 seems low, but it reflects the disposals carried out by the Group: Garage Equipment and Vehicle Inspection businesses (115 people) and the Power division (179 people).

Therefore, the evolution of the situation over the last three years is as follows:

- ⊙ 2020: 3,652 people, i.e. <5.2%>;
- ⊙ 2021: 3,685 people, i.e. +0.9%;
- ⊙ 2022: 3,729 people, i.e. +1.2%.

The breakdown of staff at year-end for the last three financial years is presented below:

Breakdown of staff at year-end	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2020	907	627	1,344	459	3,337	301	1,222	3,652
2021	865	633	1,430	419	3,347	330	1,203	3,685
2022	709	577	1681	384	3351	367	1087	3729
% change	<18.0%>	<8.4%>	+17.6%	<8.4%>	+0.1%	+11.2%	<9.6%>	+1.2%

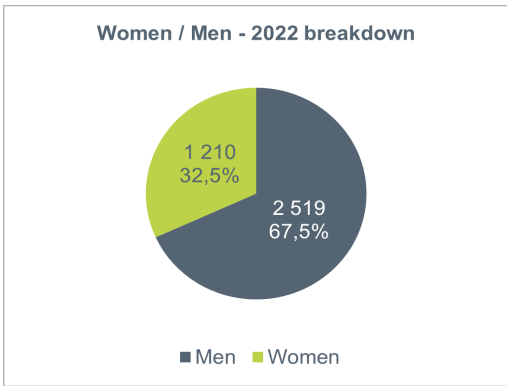
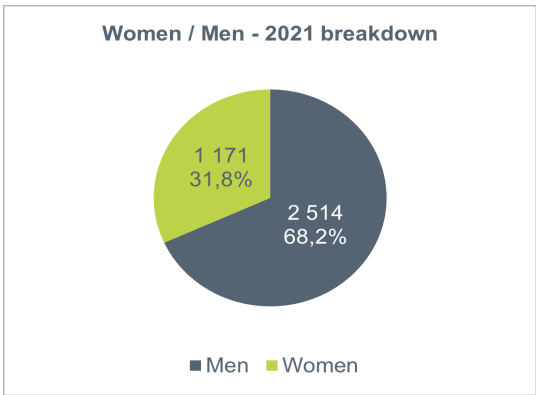
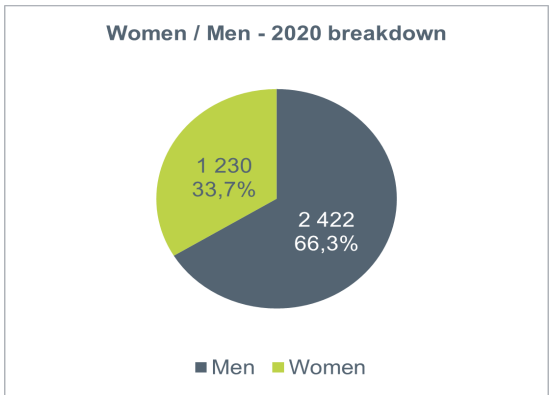
These numbers include open-ended employment contracts (CDI: contract with no fixed term that can only be terminated by dismissal, resignation, retirement, an amicable departure or any other voluntary departure by the employee), the fixed-term employment contracts (CDD: contract entered into for a pre-determined period), and apprenticeship contracts and work-study contracts that are included in fixed-term contracts.

There was a clear decrease in Automotive France, Automotive Europe and Automotive Rest of the World following the sale of the Power division (France, Germany and the United States) and Vehicle Inspection (France) in 2022.

Tunisia confirmed its strong growth with +17.6% workforce in 2022, in particular in the Design office.

4.1.2.1 GENDER BREAKDOWN

In 2022, the gender breakdown showed an average of 32.5% women, slightly up from the previous year. The low percentage of women employees at ACTIA is due to the difficulty of finding candidates who have the technical skills required by the Group. At the Tunisian production site, for example, the decrease in the number of women is due to the retirement of the more largely female staff in manual integration jobs. These jobs have been replaced by technical jobs to support the technological development of the processes, where it is difficult to find female candidates.

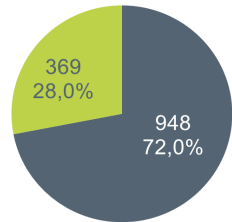


The graphs below present the breakdown of management and non-management staff by gender.

SUSTAINABLE DEVELOPMENT

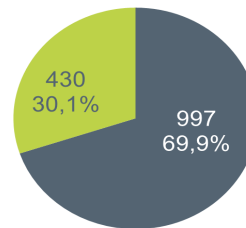
OUR SOCIAL RESPONSIBILITY APPROACH

2020 Management staff breakdown



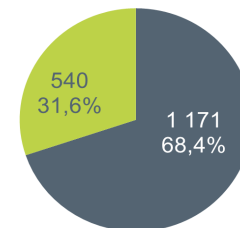
■ Managers/men ■ Managers/women

2021 Management staff breakdown



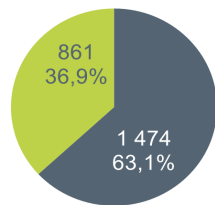
■ Managers/men ■ Managers/women

2022 Management staff breakdown



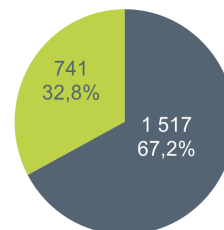
■ Managers/men ■ Managers/women

Breakdown by gender: non-management staff in 2020



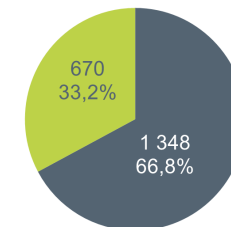
■ Male non management
■ Female non management

Breakdown by gender: non-management staff in 2021



■ Male non management ■ Female non management

Breakdown by gender: non-management staff in 2022



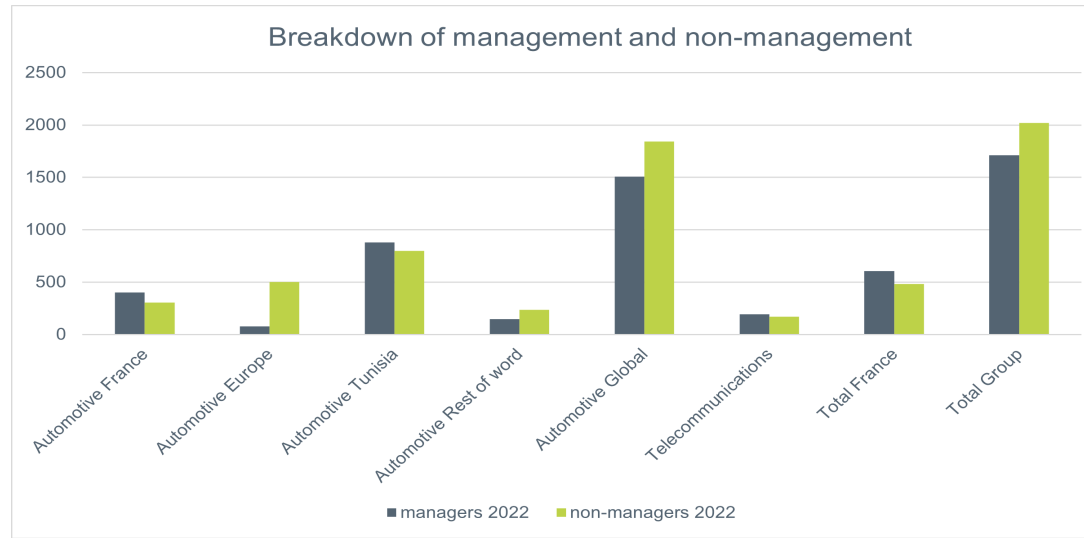
■ Male non management ■ Female non management

This year again, the percentage of women in management positions is lower than that of women in non-management positions. But the representativeness of women in management positions increased again with 31.6% of the overall management headcount at the end of 2022, compared to 30.1% at the end of 2021.

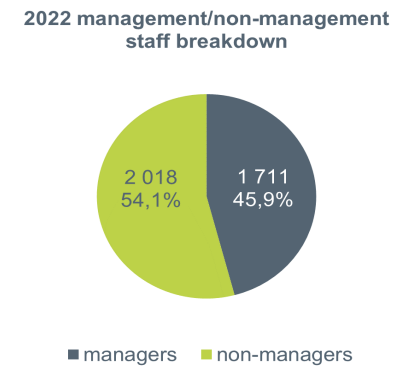
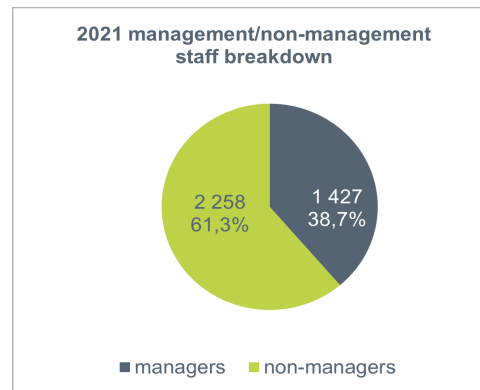
Given the persistent lack of women candidates for these types of positions, the Group finds it difficult to hire women managers.

Within the governance bodies, women accounted for 34.8% of Board members, all subsidiaries included, and for 55.6% in France. They accounted for 25.7% (up by 2 points) of the members of Group management committees and 31.3% (down by 1 point) in France. Women are still better represented on French executive bodies and on Group executive committees than in the management category.

4.1.2.2 BREAKDOWN OF MANAGEMENT AND NON-MANAGEMENT STAFF



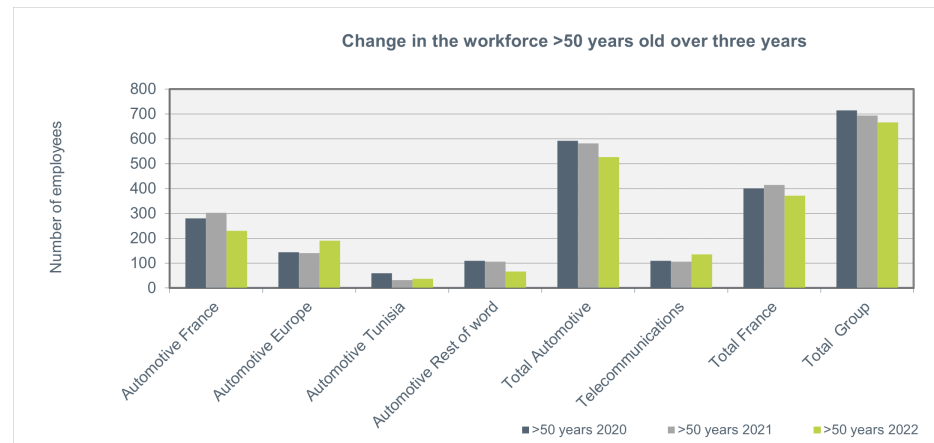
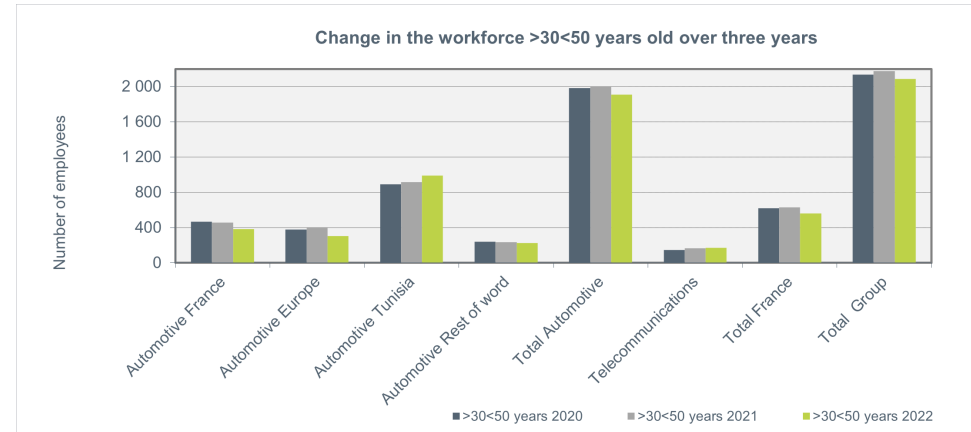
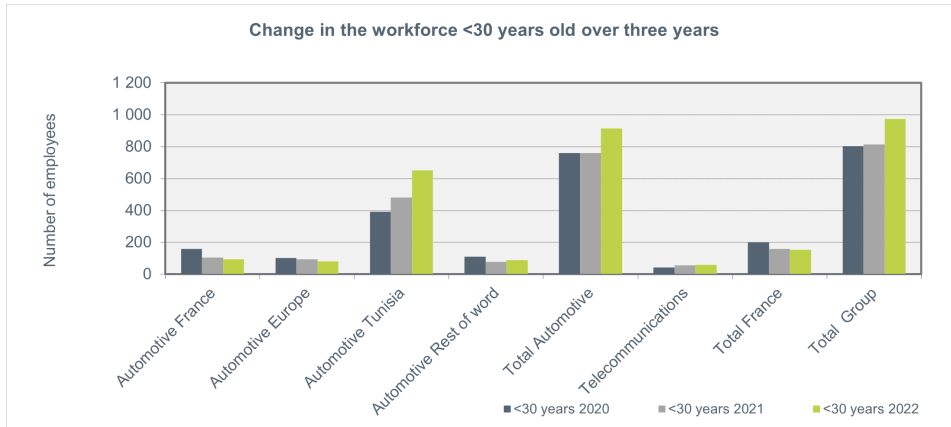
Change in workforce over 3 years is as follows:



At the end of the year, managers represented 45.9% of the Group's headcount, a significant increase compared to the previous year. The recovery in business and therefore in R&D, as well as the increase in more technical professions linked to the automation of production lines, are the reasons for these figures.

4.1.2.3 BREAKDOWN BY AGE

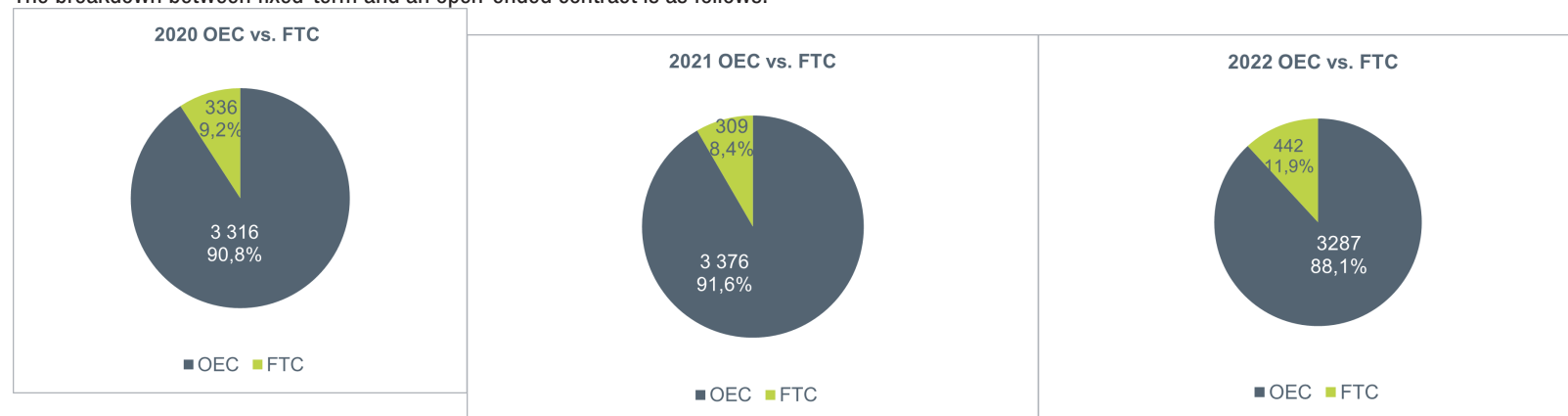
This changed as shown below:



4.1.2.4 BREAKDOWN BETWEEN OPEN-ENDED AND FIXED-TERM EMPLOYMENT CONTRACTS

With 59.8% of hires being given open-ended contracts (down by 10.2%), the Group continued to favour mostly long-term recruitments in order to develop the skills needed for its business. However, the share of fixed-term employment contracts in the overall workforce rose (+41.2%), for the first time in six years. This can be explained both by the strong need for growth and the low labour market supply, and by the new attitude of young recruits who no longer wish to be part of a long-term process.

The breakdown between fixed-term and an open-ended contract is as follows:



As a direct consequence, people with a fixed-term employment contract now account for 11.9% of the headcount, compared to 8.4% in 2021 and 9.2% in 2020.

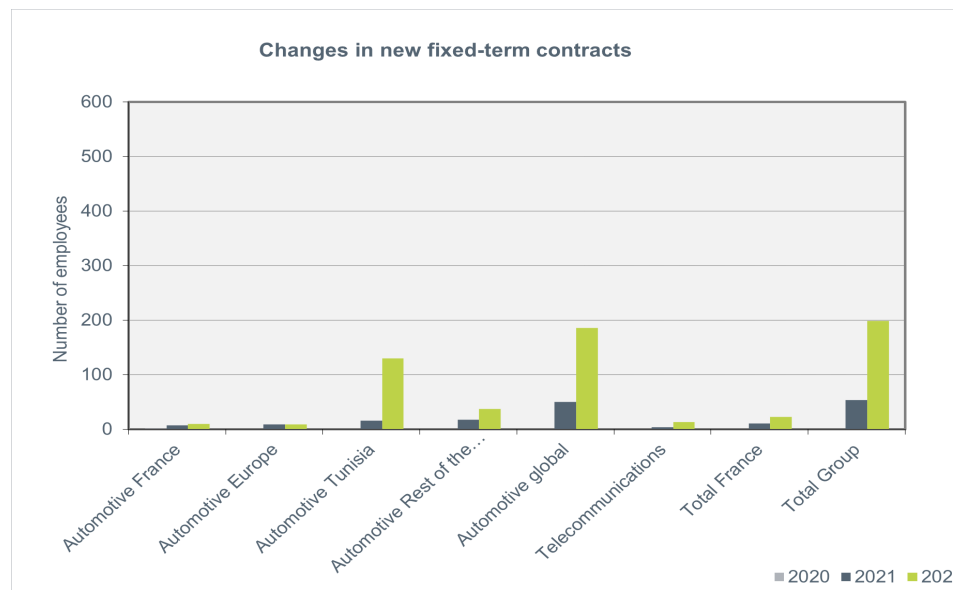
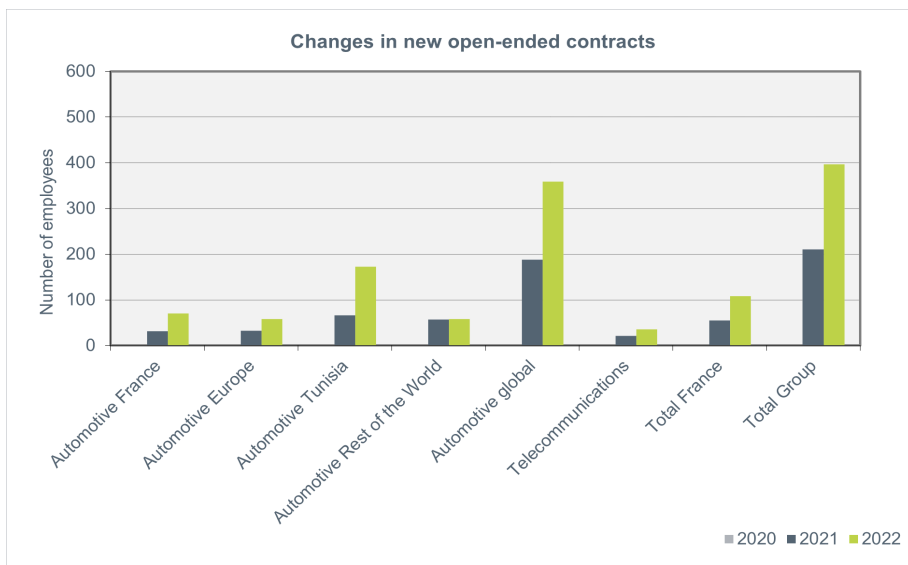
Furthermore, ACTIA has also observed changes with respect to its average headcount. This indicator enables the establishment of profitability analysis ratios for the companies.

The Group's average headcount was stable in 2022 (-26) because the very strong increase in the workforce in Tunisia masks the drop in ACTIA Automotive's headcount due to the sale of the Power Division and the Vehicle Inspection and Garage Equipment businesses.

Average headcount	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2020	912	633	1,363	504	3,412	298	1,222	3,722
2021	889	642	1,358	448	3,338	311	1,210	3,659
2022	717	562	1,611	388	3,279	344	1,071	3,633
% change	<19.3%>	<12.5%>	18.6%	<13.4%>	<1.8%>	+10.6%	<11.5%>	<0.7%>

4.1.2.5 HIRES

In 2022, there was a clear upturn in hiring (+337 compared to 2021) due to the strong rebound in economic activity for ACTIA after the pandemic-driven lockdown in 2020. However, faced with the shortage of components, ACTIA tried to balance the growth of its workforce between a growing need for resources linked to a sharply increasing order book and R&D resources and crisis management requiring human resources, and profitability under pressure.



The use of fixed-term employment contracts accounted for 40.2% of hires, up from 33.4% the previous financial year. Fixed-term employment contracts were mainly used for hiring 293 people in Tunisia (78.1% of the Group’s fixed-term employment contracts)

Furthermore, 44 fixed-term employment contracts signed before 2022 were converted into open-ended contracts during the year and 117 fixed-term employment contracts predating the financial year were renewed in 2022.

The Group continued to experience difficulty hiring. There are multiple recurring reasons for this: high levels of recruiting, a shortage of candidates with the skills specifically sought after, sites located outside of big urban areas, etc.

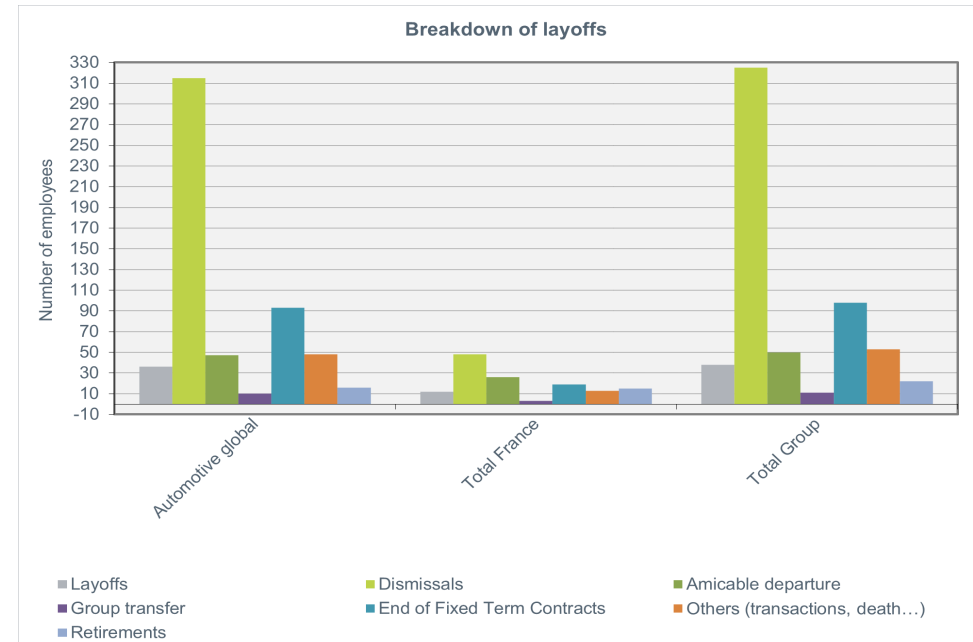
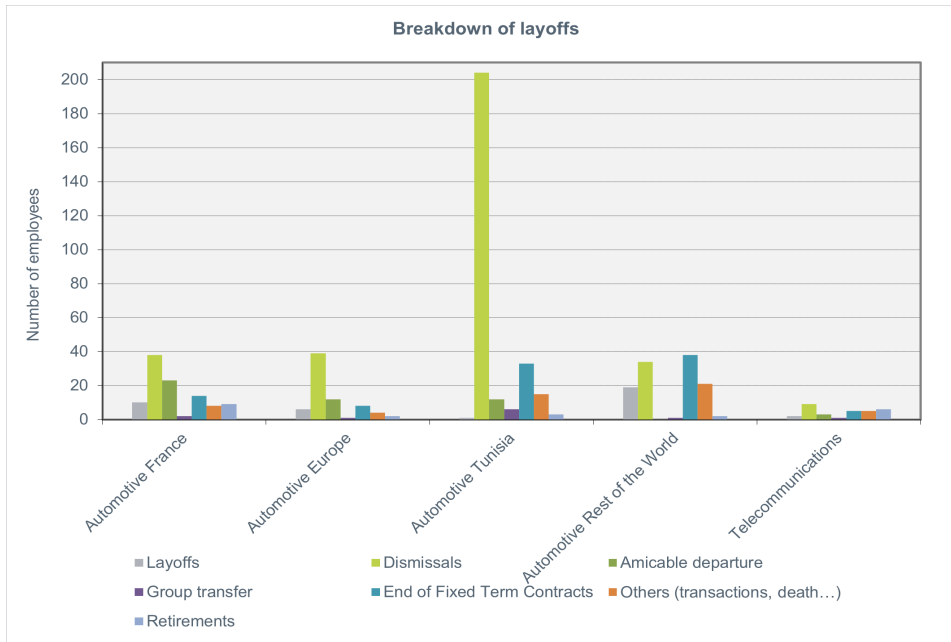
The use of temporary staff accounted for 7.2% of Group jobs, with 267 temporary staff compared to 153 last year. This type of contract clearly played its role during the health crisis, which still continued to cause disruptions in 2022 with regular absences from work due to illness or contact with cases. France, Sweden and Tunisia were the main countries that used this type of contract. It should be noted, however, that not all offers to convert temporary positions into open-ended employment contracts are accepted by the persons in question, especially in France.

ACTIA also makes use of subsidised contracts (apprenticeships, work-study contracts, etc.) in those countries where they are permitted by local regulations. Specifically, the Group employed 82 people on subsidised contracts in 2022, a figure that was 9.3% up on the previous period, especially in France which represents 85.0% of the Group’s subsidised contracts. In 2022, these contracts generated 17 hires, compared to 10 in 2021.



In 2022, the Group took in 258 students on work placements as part of training with a formal qualification. This represents an increase of 79.2% compared to 2021. In addition, it should be noted that 60 of interns were hired following their internship, compared to 35 in 2021. Tunisia is a large contributor for this type of subsidised contract with a formal qualification. The strong tie with schools, especially engineering schools, continues to ensure future hires while providing for an immersion training period beforehand.

4.1.2.6 LEAVERS



During the financial year, 641 people left the company, a highly stable figure compared to 2021. It should be noted, however, that the employees affected by the disposals do not appear in the departures.

More specifically, 39 people were made redundant, mainly at the international level (71.2%).

In contrast to previous years, there were very few redundancies during the year (7.7% of departures).

Resignations increased by 55.7% for the period and involved 327 employment contract terminations, probably related to the impacts of the pandemic on the job market. The area most affected by this type of departure was Tunisia (62.4%), a result of high mobility which continues to exist in this country.

There were 50 amicable departures over the period, of which 52.0% in France.

In addition, 22 people retired, France still accounting for most retirements within the Group (68.2%).

4.1.2.7 EMPLOYEE TURNOVER

ACTIA uses the following definition to account for turnover:

$$\frac{[(\text{number of open-ended contract departures during year N} + \text{number of new employees with open-ended contracts during year N})/2]}{\text{Headcount as of 31 December of year N-1}}$$

Turnover rate	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2020	4.8%	7.2%	5.2%	18.2%	7.7%	8.0%	5.6%	7.7%
2021	9.9%	10.3%	13.7%	17.3%	12.5%	9.5%	10.0%	12.3%
2022	10.3%	13.7%	17.5%	16.7%	14.9%	13.7%	12.5%	14.8%
change / 2021	+0.5%	+3.9%	+3.8%	<0.6%>	+2.5%	+4.2%	+2.5%	+2.6%

There was a slight decrease in the turnover rate in 2022.

In Tunisia, ACTIA Engineering Services experienced a sharp increase of more than 50.0% due to the high but constant level of departures and the very strong growth in hiring. This figure is masked by a 57.4% drop in CIPI ACTIA's turnover.

ACTIA is doing its best to reduce this turnover and retain its talents, in particular by strengthening career management within the Group and paying particular attention to the quality of life at work. ACTIA is also striving to establish itself outside capital cities in order to attract less volatile staff.

4.1.3 Talent management

4.1.3.1 TRAINING

An annual training plan is in place in most the Group's entities.

These plans are developed based on:

- ⊙ Annual employee performance assessment meetings;
- ⊙ Strategic workforce planning;
- ⊙ Discussions with employee representatives or the site manager.

Though the training hours per employee had fallen in 2020 due to Covid-19, they increased in 2022 without however reaching the 2019 level, as the complicated health conditions still persisted. In France, support for training during the Long-term part-time working hours (2021 and 2022) was particularly useful in making up for the delay incurred in 2020.

These indicators are evidence of the ACTIA's desire to be proactive about the performance level of its employees in order to maintain a high level of expertise within the Group.

The number of training hours in relation to the average 2022 headcount expressed in Full-Time Equivalent (FTE) increased to 17 hours per employee, compared with 13 hours for the previous year and 8 hours for 2020. With this volume of hours, ACTIA is returning to its pre-pandemic training levels.

The training policy for the main French subsidiary, ACTIA Automotive, and at Group level, is primarily implemented based on the strategic priorities set out by management through:

- ⊙ Upskilling to be able to follow the technological roadmap of all the core functions in electronics and software;
- ⊙ The development of projects and skills: project management, change management;
- ⊙ Support for industrialisation and production: Lean method, new equipment, testing tools, MSA methods;
- ⊙ Continuity in support for customer certifications and quality standards, as well as in safety and risk prevention.

4.1.3.2 SKILLS MANAGEMENT

ACTIA has gradually implemented skills management at a worldwide level, providing mobility within the Group while maintaining a responsible compensation policy. ACTIA created the ACTIA Academy training tool which works hand in hand with career management. Originally implemented in Tunisia in the Design Office, the tool will be gradually rolled out across the Group to help retain the teams. Unfortunately, the health crisis delayed the roll-out, because Human Resources teams had to focus their full attention on managing the consequences of the pandemic and a very strong need for recruitment.

At the same time, in-depth work is also being done on the employer brand to illustrate the family company values ACTIA has implemented since its creation.

4.1.3.3 PROMOTION OF DIVERSITY AND INCLUSION

Diversity:

The Group is present in 16 countries and diversity is a reality, part of the daily life of the teams via the collaborative work environment developed by the Group and, therefore, during meetings and joint actions, in a range of areas including research, sales, management, and inter-departmental functions. The breakdown of the Group's 3,729 employees in terms of country is as follows:

- ⊙ 96.6% are of the same nationality as the subsidiary;
- ⊙ For employees who do not have the same nationality as the subsidiary:
 - 1.4% are EU nationals,
 - 2.0% come from other countries.

This breakdown varies very little country by country and remains relatively stable from one year to the next. Equal opportunity is ensured within each organisation and internal mobility within the Group is gradually being put in place, particularly for the ACTIA Engineering Services design office. The Group reinforced support for internal mobility, especially through its communication; opportunities for mobility are henceforth monitored at the time of performance appraisals and the Group would like to see an increase in the figures, along with specific support for individuals. In 2022, ACTIA recorded 59 internal mobility actions, 41 of which concerned managers, down by 24.4% compared with 2021 (78 mobility actions). The Group is hampered by different local regulations with regard to labour law whenever it attempts to promote international mobility.

Disability:

In 2022, 68 disabled workers were employed within ACTIA, on the rise since 2021. As some local regulations impose quotas, legally 86 jobs should be held by disabled workers across the Group. In order to make up for the balance, the sites in France continue to make use of outsourcing to vocational support centres (CAT). This outsourcing represented the equivalent of 9 people and, unfortunately, was not sufficient to cover the shortfall in 2022. The Group was obliged to pay a total fine of €48,500 for non-compliance with its obligations in this area, sharply down compared to 2021 (-45.2%). Some people in France still refuse to benefit from the status of disabled worker, and that is why ACTIA continues to raise the awareness of its employees to the need to accept disabilities.

ACTIA thus organised a "DUODAY" week in the autumn of 2022, during which Group volunteers welcomed people with disabilities to present their work to them. The event was a great success in the company. Employees were also able to attend the online training sessions: "Inclusion of disability at work".

ACTIA also created the "Tous Cap" committee, which meets regularly to organise practical measures and to consider the changes in attitudes within our structure. This involves changing perceptions about disabilities in the workplace, including on a managerial level.

4.1.4 Gender equality

Gender equality is a value deeply enshrined in ACTIA's culture and the company has had a proactive policy in place for many years to ensure gender equality, particularly in terms of compensation. As part of this policy, a study is conducted once a year in order to correct any gaps.

This index is based on 5 criteria established by the French government:

- ⊙ Pay gap indicator;
- ⊙ Increase rate gap indicator;
- ⊙ Promotion rate gap indicator;
- ⊙ Return from maternity leave indicator;
- ⊙ Highest pay indicator.

For the year 2022, ACTIA Automotive and ACTIA Telecom had an overall score of **83** and **88** points, respectively.

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For ACTIA Automotive, we recorded a very strong increase (calculation was difficult for 2021 due to the lack of an indicator) from 68 to 83.

For ACTIA Telecom, the indicator rose by two points, bringing this division closer to the highest possible score.

For the Group as a whole, the percentage of women in management increased by one and a half points to 31.6%.

Compensation policy

ACTIA's compensation policy is based on equal pay for women and men from the moment of hiring, supporting an inclusive and fair recruitment process.

This principle has been a priority for many years. It can be complemented by a dedicated envelope for rebalancing salaries and regular reviews to ensure compliance with this policy.

A balance and shared responsibility for parenthood

ACTIA accepts requests for part-time work from all employees, both women and men, who wish to take advantage of this benefit to better reconcile their private and professional lives.

The importance of gender diversity in the workplace

ACTIA Automotive has 28.9% women, while ACTIA Telecom has 20.7% women. It should be noted that the national average (France) in the Metallurgy sector is 22.4%.

This under-representation can be explained by the fact that some occupations in the industry are still "gendered". For example, there are still not enough women in engineering and technical occupations, and this starts with the choice of educational orientation. Some support functions, on the other hand, are highly represented by women and men are few and far between.

Career development and promotion

ACTIA supports its employees equally in the development of their skills. Thus, employees benefit from the same opportunities for professional development, career advancement, grade levels and access to positions of responsibility.

ACTIA is focusing on four key areas to promote gender diversity and professional equality:

- ⊙ Recruitment, to ensure that all applications are equally considered,
- ⊙ Pay, to guarantee the principles of equality throughout professional careers,
- ⊙ Professional training, to ensure equal skills development opportunities,
- ⊙ Professional promotion, to offer men and women the same opportunities in terms of jobs, career development and access to management positions, and ensure they are employable.

Visible actions in favour of gender equality are implemented, in particular by promoting the work-life balance. The Group offers employees a range of options, including:

- ⊙ Flexitime (one or more days per month);
- ⊙ Home-working (for longer periods, in certain specific situations);
- ⊙ Shift to part-time work, which is carefully studied and analysed on a case-by-case basis;
- ⊙ Flexibility with regard to working hours (clock-in/clock-off times).

4.1.5 Health & Safety

As a real priority for the Group, personal safety is managed through the following actions:

- ⊙ Detailed identification, analysis and management of risks;
- ⊙ Implementation of prevention, surveillance, protection and first aid systems;
- ⊙ Training of first aiders;
- ⊙ Raising awareness of personnel.

The health crisis led to the lockdown of Shanghai in 2022, but ACTIA China was operating at near-normal capacity. However, foreigners could not visit the country, disrupting relations with this subsidiary.

In France, the health crisis began to fade away, causing sickness leave, but health measures and home-working have now become part of everyday life.

Certain tools (Yammer, home-working, video conferences) introduced at the height of the crisis are now part of the way employees work.

Fire safety and electrical installation standards are met by all subsidiaries. Subsidiaries that do not perform the inspections themselves benefit from this service specifically provided for under their leases.

The Group therefore has 86 people playing an active role in the prevention and the protection of the physical and mental health of employees, as well as their safety and the improvement of working conditions, especially with a view to facilitating access for women to all jobs while addressing problems related to maternity, adapting and refitting work stations to facilitate access for the disabled to all jobs and to help ensure that they remain in employment throughout their working lives.

Changes to these indicators over the period in question were as follows:

Frequency of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2020	6.4	3.7	2.0	2.3	3.5	0.0	4.8	3.2
2021	8.8	4.8	3.6	1.1	4.6	6.1	7.9	4.7
2022	4.5	6.3	4.6	0	4.4	7.6	5.5	4.6

4.1.5.1 OCCUPATIONAL ACCIDENTS

In 2022, 31 occupational accidents occurred resulting in lost working days; accidents occurring while commuting have been excluded from this figure in order to be in full compliance with the indicators used in France and thus report reliable information. This is a slight increase (+3.3%), which reflects the resumption of on-site activity by employees. These accidents accounted for 214 lost working days, a decrease of 23.7% compared to 2021. In addition, 57 lost working days were recorded in 2022 due to occupational accidents that occurred in previous periods, the consequences of which continued into the new financial year.

The Group has put in place monitoring of the following indicators based on current standards:

- ⊙ Frequency, which corresponds to the number of occupational accidents, excluding while commuting, occurring over the year and resulting in lost working days x 1,000,000/total number of hours worked during the year;
- ⊙ Severity, which includes the total number of lost working days resulting from accidents occurring during the year or in prior years, excluding while commuting, x 1,000/total number of hours worked during the year;
- ⊙ Frequency index, which corresponds to the number of occupational accidents, excluding while commuting, occurring during the year resulting in a lost working day x 1,000/average Group headcount.

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Severity of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2020	0.3	0.0	0.0	0.0	0.1	0.0	0.2	0.1
2021	0.3	0.1	0.0	0.0	0.1	0.1	0.2	0.1
2022	0.03	0.12	0.02	0.0	0.04	0.07	0.04	0.04

Frequency index	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2020	9.9	6.3	3.7	4.0	5.9	0.0	7.4	5.4
2021	13.5	7.8	6.6	2.2	8.1	9.6	12.4	8.2
2022	7.1	12.5	9.3	0.0	8.5	11.6	8.5	8.5

The Group recorded no cases of occupational illness.

Ever mindful of the health of its employees, our subsidiary ACTIA Engineering Services in Tunisia has even put in place an ambitious health-related action plan covering:

- ⊙ The fight against cancer through World Cancer Day, with input from the occupational health department and collection of funds to be donated to the “Tunisian cancer association”, along with the organisation of a “pink October” day and awareness-raising via video conference;

- ⊙ Organisation of various activities outside of working hours, such as music and football clubs, and running sessions;
- ⊙ Organisation of various Team building activities, such as lunches and breakfast get-togethers, when the health situation allows such events to go ahead.

4.1.5.2 ABSENTEEISM

Sick leave accounted for 28,754 lost working days in 2022, up by 13.0%, 9,120 of which were in France.

Sick days remained very high in Tunisia (CIPI ACTIA) where the year 2022, just like 2021, was severely impacted by Covid-19. The breakdown by division and by employee is given in the following table:

Number of days of sick leave per employee	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive average	Telecoms	Average France	Average Group
2020	7.6	8.6	6.4	0.9	6.3	3.6	6.6	6.1
2021	7.2	7.7	8.9	0.8	7.1	5.5	6.7	7.0
2022	9.6	7.8	9.3	0.7	8.1	5.1	8.1	7.8
Change / 2021	+2.4	+0.1	+0.4	<0.1>	+1.0	<0.4>	+1.4	+0.8
% change	+33.3%	+1.4%	+5.0%	<15.4%>	+13.7%	<7.1%>	+20.1%	+12.2%

Within the Group, there is a return-to-work policy, even if it is not systematically documented. The policy means a close working relationship with the occupational health department on issues such as workstation design, the examination of specific jobs and pre-return-to-work visits, the organisation of meetings during sick leave to prepare for the return, a formal interview to identify the causes and characteristics of the illness and how best to prevent the recurrence of sick leave.

A crisis and training line to help manage psychosocial risks exists within ACTIA Automotive.

Improving the quality of life in the workplace is an important issue for ACTIA. The concierge service made available to the employees is one of the tools that facilitates the work-life balance and its range of services is being added to all the time. There are also many other initiatives under way at other sites that aim to facilitate quality food service, organise on- or off-site sporting activities or provide relaxation rooms for the employees.

4.1.5.3 PROMOTING PHYSICAL ACTIVITY AND SPORTS

In the Toulouse subsidiary, many sports associations offer several activities to employees throughout the year. Employees can do Pilates on site using the infrastructure provided (room, changing rooms), or enjoy outdoor activities such as golf, mountain biking, skiing, football, petanque and many others.

In 2022, the French subsidiaries also took part in a connected walk for the association “Les Apprentis d’Auteuil”.

The Design office in Tunisia also has a football and running club. It participates in various competitions and has two agreements with sports centres.

4.1.5.4 HUMAN RESOURCES

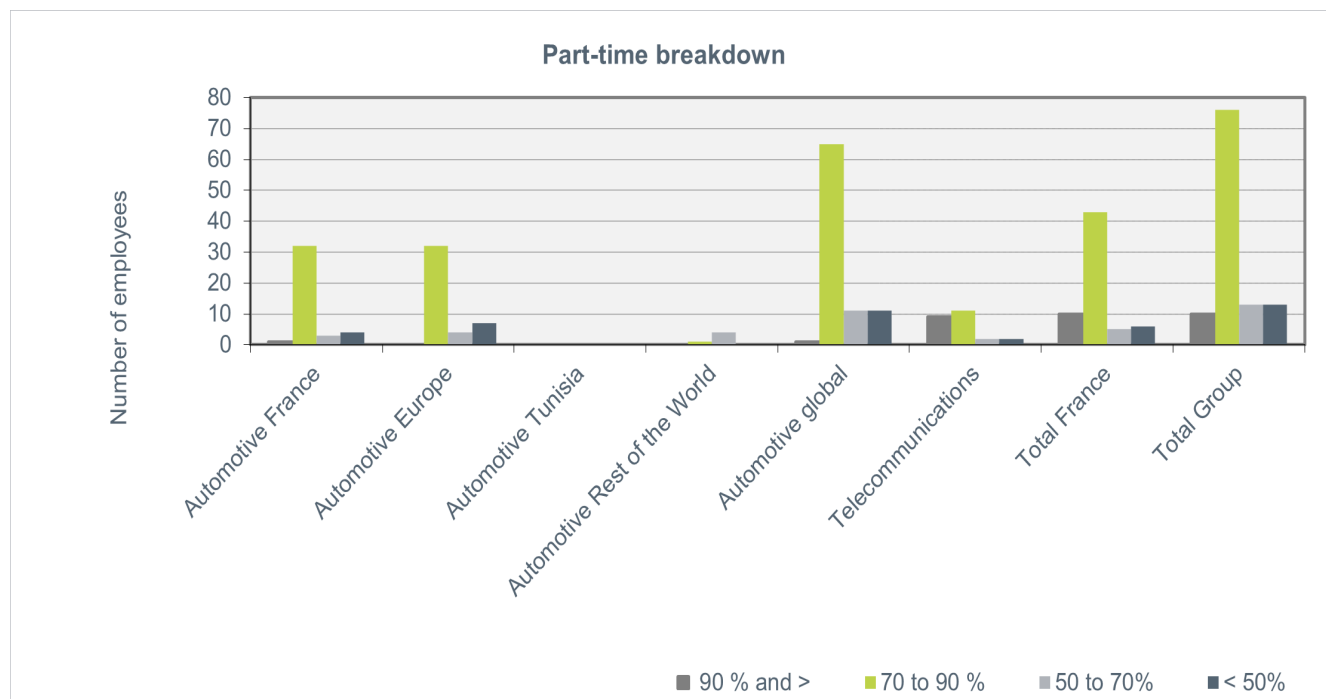
Working hours

In the majority of countries where the Group is present, the working week consists of five days. Only the Mexican subsidiary, in accordance with local regulations, operates according to six-day working weeks.

It should be noted that in France, management and equivalent positions are employed on the basis of 218 working days per year, which is the maximum legally authorised; the other employees benefit from the full-time, legally applicable 35-hour working week on an annualised basis.

As for circuit board manufacturing plants, the Colomiers site in France generally operates according to two 8-hour shifts and can operate on three 8-hour shifts if required to meet specific production demand. With respect to the Tunisian site of CIPI ACTIA, a significant number of production lines are organised on a shift work basis (two or three 8-hour shifts, even four 8-hour shifts since 2022) depending on production volumes, performance and/or the workload of the production facilities. These production sites can have a six-day working week.

Group-wide, there were 112 part-time employees compared to 132 in 2021. Of these, 59.8% were women. The part-time breakdown is shown in the graph below:



Down compared to 2021, the overall volume of overtime hours stood at 83,890 hours, 90.3% of which were worked by non-management staff, compared with 93,152 hours in 2021. It should be borne in mind that managerial staff with a fixed-rate employment contract (no specified number of working hours) are not included in the calculation. The production sites in Tunisia put in 65.6% of the overtime hours in order to limit the impact on our customers, reflecting the difficulty of organising production while managing shortages.

Labour relations

All the Group’s French facilities are subject to the national Metallurgy industry collective bargaining agreement. The two Tunisian circuit board production sites are covered by the collective bargaining agreement for the electricity and electronics industry. It should be noted that this notion of collective bargaining does not exist in all countries where the Group operates.

62.2% of the Group’s staff work in entities where trade unions are present. This percentage went up very slightly by one point.

There are 96 employee representatives.

All ACTIA employees periodically receive information from management via different media depending on the subsidiary. Bulletin boards are systematically used, along with email, meetings and internal newsletters. Employees at all facilities are informed of Company results and targets. Since the first lockdown, the main French subsidiary has set up a means of ensuring regular communication with all of its employees, namely, a dedicated Yammer network. The latter provides a specific framework for communication, via an extended network when required, to reach out to people working a long way from their usual place of work (lockdown, home-working, illness, and so on).

In addition to measures imposed by local legal obligations, the following benefits are offered:

- ⊙ Health: supplementary healthcare scheme for 67.0% of employees ⁽¹⁾;
- ⊙ Luncheon vouchers for 59.7% of employees;
- ⊙ Maternity (maternity bonus) for 27.8% of employees;
- ⊙ Supplementary pension scheme for 22.7% of employees (up 76.4%).

⁽¹⁾ Data excluding France where supplementary health insurance is mandatory.

84.8% of employees, depending on the entity, are also eligible for various bonuses such as: “13th month” bonus, one-off bonuses, funeral expenses, marriage allowances, travel insurance benefits, supra-legal bonuses for quality, attendance, behaviour, productivity and other bonuses.

With respect to annual compensation, trends for the last three financial periods are presented below:

Average salary expense	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2020	57,270	54,395	11,295	26,934	33,884	60,938	59,110	36,436
2021	61,311	56,342	12,474	32,057	36,553	65,910	64,934	39,326
2022	67,333	59,293	14,087	33,000	35,712	65,742	67,329	38,792
% change	9.8%	5.2%	12.9%	2.9%	< 2.3%>	< 0.3%>	3.7%	< 1.4%>

The average salary expense corresponds to gross payroll, increased by social charges as presented in the accounting of each subsidiary, divided by average headcount.

The strong increase for Automotive France is partly explained by a lower use of Long-term part-time working (APLD).

The increase in 2022 also results from the recovery of economic activity with an upturn in hiring and higher salaries in Tunisia and the United States to try to reduce the turnover.

Furthermore, the percentage of social charges in relation to the gross salary breaks down as follows:

Social security/ Payroll	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2020	42.0%	28.1%	15.0%	23.0%	31.3%	42.7%	42.2%	32.9%
2021	42.5%	28.3%	15.0%	31.6%	32.5%	45.8%	43.3%	34.3%
2022	47.1%	29.4%	14.9%	31.3%	32.9%	46.6%	46.8%	35.0%

With regard to the weight of social security / payroll, it should be noted that social contributions remain exceptionally high in France compared to other countries. The decrease in social contributions seen since 2020 is partly due to government-run furlough schemes which took over the payment of social contributions for the periods concerned, depending on the country.

4.1.5.5 PROFIT SHARING

The following table summarises amounts expensed by the Group in connection with profit sharing and/or incentive scheme agreements signed by the different subsidiaries:

Profit sharing (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2020	0	133	0	177	310	0	0	310
2021	0	124	0	0	124	0	0	124
2022	0	226	0	0	226	0	0	226

Incentive scheme (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2020	56	420	0	189	665	0	56	665
2021	0	48	0	444	492	0	0	492
2022	0	52	0	846	899	323	323	1,222

For both profit sharing and incentive schemes, procedures of application vary from one company and country to the next, according to local regulations.

5 OUR ENVIRONMENTAL RESPONSIBILITY APPROACH

The Group is not subject to any specific environmental regulatory constraints with regard to its activities.

The environmental management systems put in place at the certified facilities, regulatory monitoring and the resulting follow-up processes ensure that they remain in compliance with regulations.

The sites of ACTIA Automotive and ACTIA Telecom (France), ACTIA IME (Germany), ACTIA Nordic (Sweden), CIPI ACTIA and ACTIA Tunisie (Tunisia), ACTIA Electronics (USA) and ACTIA China (China) are ISO 14001-certified. Therefore, 66.6% of the Group headcount is covered by a clearly defined and fully validated environmental policy. Companies certified under ISO 14001 follow all the regulations applicable to their businesses and their facilities, including national and local rules (for example, in France the French local urban planning rules or PLU). ACTIA Systems (Spain) has started this certification process, which should be completed in 2023.

Through its proactive policy, the Group has been taking this aspect into account for many years and is making every effort to progress in this area by managing the end of the lifecycle of this potentially polluting waste. It has also adopted an eco-friendly policy at the office (posters, printers calibrated to print when a badge is swiped).

5.1 MANAGING WATER RESOURCES

Apart from the production sites, water consumption is mainly for domestic purposes. In the factories, water is used in a number of ways:

- ⊙ Humidification of the air in workshops where circuit boards are produced, in order to reduce the risk of electrostatic discharges (ESD), combined with permanent control of the temperature;
- ⊙ Washing machines made available to the maintenance service to clean equipment.

The Group has already implemented a number of measures to ensure the responsible use of water resources:

- ⊙ Working on equipment in a closed circuit;
- ⊙ Recycling water for the washing machines to avoid any risk of pollution.

The Group's total water consumption was 38,747 m³, up by 32.4% compared to 2021. Average daily consumption per employee increased to 28L per employee per day compared to 21L in 2021. This increase is due to the increased presence of employees on site.

This year there was a sharp increase in water consumption, particularly in Tunisia, at the production site. ACTIA Tunisie moved to a site three times larger than its previous one. ACTIA Engineering Services design office increased its headcount by 35%.

Overall, water consumption is regularly monitored by the Group, which makes it possible to analyse all variances and contributes to improved awareness.

It should be noted that certain subsidiaries still do not have access to their water consumption figures, as the information is included in local rental costs: for these entities, the Group continues to take into account estimated water consumption based on the national or industry average, depending on the available information. This includes two French subsidiaries (44 people), representing 1.2% of the Group's headcount.

Water consumption at all facilities is drawn from the drinking water system.

In relation to the number of employees, water consumption across all sites in 2022 was close to 10.3 m³ per annum per employee, up by 36.7% for the year, fuelled by the resumption of activity in 2022 and a reduced use of home-working:

Water consumption per employee								
(in m ³ per year per employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2020	8.4	5.4	10.9	6.7	8.6	4.8	7.4	8.2
2021	9.1	7.2	7.6	6.4	7.7	5.9	8.2	7.6
2022	12.5	11.3	10.6	11.0	11.1	6.4	10.5	10.7
% change	+38.1%	+57.3%	+40.1%	+72.2%	+43.6%	+8.3%	+28.5%	+41.7%

5.2 WASTE MANAGEMENT

Waste from all operations consists primarily of packaging materials (cardboard boxes, pallets, plastic covers, etc.), office waste and manufacturing waste, with 6.6% falling under the category of “hazardous industrial waste” or HIW. This waste is not eliminated or treated on-site. Instead, it is temporarily stored in areas designated and equipped for each type of waste (skips, compactors, holding tanks, etc.) before being properly removed to approved disposal facilities for recycling, recovery or treatment.

Existing recycling arrangements at the sites concerns all types of packaging: cardboard, paper, plastics as well as metals; batteries are also recovered through a specific waste separation collection process at several facilities. For the sites with waste separation and collection, a recovery strategy is encouraged, as opposed to energy recovery, whenever possible.

The following actions have been taken to reduce and recycle waste:

- ⊙ Installation and rental of storage containers and equipment destined for processing waste, and compacting certain categories of waste;
- ⊙ Production methods taking into account environmental considerations, by recovering and reusing raw materials in the process, seeking to reduce the use of plastic packaging, waste, reducing the environmental impact of the product, and incorporating environmental requirements in the manufacturing documentation;

- ⊙ Reducing and recovering waste from production, recycling and treatment of electrical and electronic waste;
- ⊙ Recycling and reprocessing cardboard, paper and soiled packaging;
- ⊙ Setting up a “zero paper” objective;
 - By the Toulouse production unit, where several steps had already been taken with the centralisation of databases, an action to open up the process sheets, routing sheets and the gradual deployment of screens in the workshop;
 - In Spain, where all the workshops are now paperless; to achieve the objective, screens were installed to make it possible to monitor the steps in the manufacturing process, with actions taken on the portal, the skills matrices and the control units in the factory to achieve “zero paper”.
 - Incentivising employees to comply with the instructions for paper (reasonable usage, sorting of paper, recycling, incentives not to print out emails, etc.);
- ⊙ Keeping up the raw material recovery rate.

Also, the active waste separation collection policy is already in place at most facilities and covers 84.6% of all employees worldwide. The rate of coverage for French sites remained at 100% in 2022.

An increasing number of sites have formal reporting systems for tracking the quantity of waste produced and/or recycled. In 2022, the subsidiaries producing a complete or partial qualitative or quantitative report on the amount of their waste represented 80.0% of the Group's headcount. Based on assessments performed, it is possible to provide the following (partial) summary on recycling:

Quantity of waste produced by type of recycling (tonnes)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
Recovery	174.1	19.9	112.7	26.7	333.4	17.4	191.5	350.8
Energy recovery	135.6	17.6	8.7	0.0	161.9	9.6	144.2	171.5
Controlled disposal	4.6	0.0	86.4	95.4	186.5	0.0	4.6	186.5
Special treatment*	5.5	0.0	9.9	0.0	15.4	0.0	5.5	15.4
Unknown treatment	0.0	14.3	3.8	0.1	18.9	0.0	0.0	18.9
TOTAL	319.7	51.9	221.6	122.8	716.1	27.0	346.7	743.0
% HIW** / waste	5.4%	28.2%	12.6%	1.3%	8.6%	4.2%	5.2%	8.43%
% waste recovered / waste	96.8%	72.4%	54.8%	21.7%	69.2%	100.0%	96.9%	70.3%

* Special treatment means either a chemical process or incineration.

** HIW: Hazardous Industrial Waste

The reporting period 2022 generated a smaller amount of waste than the previous year (down by 83.7 tonnes). Environmental policies require rigorous monitoring of the waste that is generated.

Some subsidiaries are still not in a position to be able to report the data concerning quantities of waste insofar as it is treated by external service providers, such as municipalities, in accordance with local practices. In this case, estimates are provided and then analysed at Group level in order to validate the consistency of the data. This is the case for Germany and Spain, where the amount of waste was estimated on the basis of the year 2021.

Insofar as the Group remains focused on putting in place the tools to sort and recycle waste, every possible resource is allocated to the subsidiaries in support of a local policy wherever this is feasible.

Finally, to allow for a comparison between waste from one financial year to the next and maintain consistency in the figures in relation to the business, the Group has decided to monitor only the waste directly linked to its own activities. Therefore, building sites generating one-off waste are not included in the figures.

5.3 FIGHT AGAINST CLIMATE CHANGE

5.3.1 Energy

Throughout the Group the priority of limiting energy consumption is reflected through a range of actions implemented at local levels for identified targets:

- ⊙ **Buildings:** installing presence detectors, air-conditioning controls, timers, programmers, automatically closing doors to insulate heated areas, and replacing doors and windows to improve the insulation of the premises, automatic shutdowns at night and replacing gas-powered boilers by heat pumps;
- ⊙ **Equipment:** changing over to low energy consumption equipment, buying LED lighting and other energy-efficient equipment, new low consumption servers, the replacement of ageing computer equipment and the replacement of air-conditioning systems;
- ⊙ **Individual behaviour:** awareness-raising campaigns on shutting down equipment in the evening, the judicious use of heating and air-conditioning units, a centralised switch to shut off electricity, installing presence detectors and timers, and putting in place indicators to further raise awareness and motivate personnel;
- ⊙ **Organisation:** control of air-conditioning in the summer and the organisation of working hours (through leave management), in order to avoid summer consumption peaks, general awareness-raising for staff, conducting an energy audit through a third party in order to examine areas for improvement;
- ⊙ **Eco-design:** designing and developing our products to limit the effects of the manufacturing processes used and attempt to reduce the number of components and the amount of materials consumed, encouraging dual sourcing and local origins where possible, favouring eco-responsible components and suppliers, organising traceability and working with the customer to prepare the end of the useful life of the products through recyclability;
- ⊙ **Strategy in favour of sustainable mobility:** developing products and software that can help to bring about a reduction in the consumption of fuel and energy in general, thanks to monitoring the consumption of vehicles and the performance of drivers as described in the Management Report and discussed in § 4.3.1 “Automotive Division” of this Annual Report, but also through designing eco-mobility systems as deployed in public transport in particular.

These measures supplement those already undertaken in previous periods and highlight a strong commitment to environmental responsibility.

The two types of energy used on all sites are:

- ⊙ **Electricity:** 18,495 MWh, up 15.2% compared to 2021, again as a consequence of business recovery following the pandemic;
- ⊙ **Natural gas:** with 1,398 MWh, represents a drop of 24.3% compared to 2021, following the sale of the Power division and the Vehicle Inspection businesses and the change of heating type to electricity.

The consumption of fuel oil used in certain subsidiaries increased this year. There was an increase of 30.3%.

Total energy consumption amounted to 20,838.8 MWh in 2022 compared to 19,608.9 MWh in 2021 and 17,435 MWh in 2020, in other words, a reasonable increase of 6.3% though still below the pre-COVID consumption level. This increase was due to business recovery.

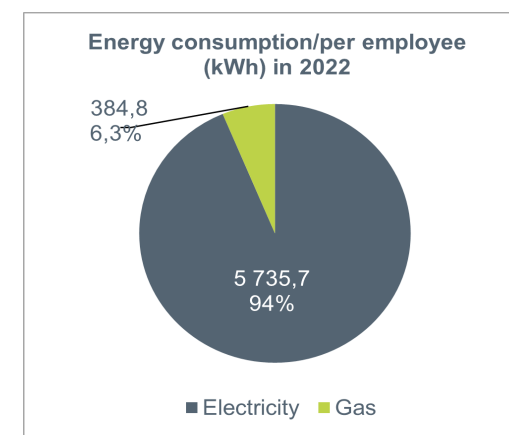
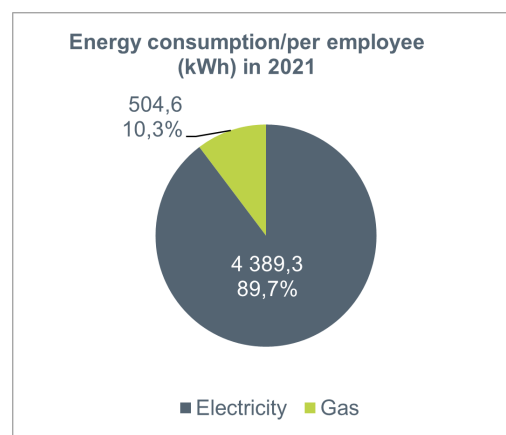
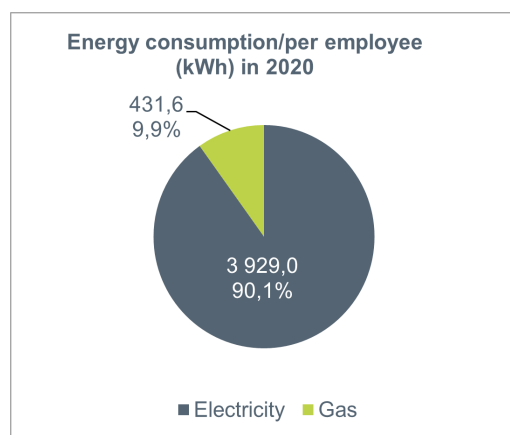
As for water, the Group monitors its energy consumption and seeks to provide coherent explanations for all fluctuations. To sum up, some subsidiaries continued their in-house efforts by raising awareness among staff about energy savings (energy cafés) and more reasonable behaviour: switching off equipment in the evening, adjusting the settings of the heating and air conditioning systems, replacing certain equipment items, conducting an energy audit at the end of the year, etc.

Energy consumption can be summarised as follows:

Energy consumption per employee (in kWh per year per employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Automotive average	Telecoms	Average France	Average Group
Overall 2020	5,015.2	4,693.7	4,223.3	4,783.4	4,604.9	5,784.7	5,155.5	4,685.1
Overall 2021	5,694.0	5,273.3	4,925.5	6,148.7	5,361.4	5,516.3	5,599.9	5,359.4
OVERALL 2022	5,872.3	5,646.8	5,641.0	7,120.6	5,867.8	4,646.9	5,706.1	5,735.7
% change	+3.1%	+7.1%	+14.5%	+15.8%	+9.5%	< 15.8%>	+1.9%	+7.0%

Energy consumption increased in 2022 due to the continuation of economic recovery. Consumption returned to, or depending on the subsidiary, slightly exceeded the 2019 level. This increase due to business recovery remained limited, however. This can be explained by internal prevention campaigns as well as by the communication of public authorities in certain countries calling for cost reduction to tackle rising prices and the risks of shortage.

The graph below illustrates the changes in energy consumption per employee:



Energy consumption	Production	Non-production	Total Group
2020	9,299,273	8,136,512	17,435,785
2021	10,295,257	9,313,657	19,608,914
2022	11,891,473	8,947,285	20,838,758
% change	+15.5%	<3.9%>	+6.3%

There was a slight decrease in non-production consumption due to the sale of businesses in 2022. For the production sites, consumption rose again after the drop in activity in 2020.

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The energy spent in production increases as does the revenue, but home-working is contributing to the continuous decrease in energy expenditure in the tertiary sector.

Although the French subsidiary located in the Paris region and the 3 ACTIA Automotive France sites do not directly use renewable energy, they selected a 100% green energy provider in 2021. The supplier undertakes in this contract to inject into the grid as much electricity from renewable sources as electricity consumed by customers.

The German subsidiary uses energy originating entirely from energy recovery for heating. This consumption represented a total of 878 MWh. The total amount of green energy, including renewable energy and recovered energy, now accounts for 4.3% of the Group's total consumption compared to 9.5% in 2021.

The Belgian subsidiary ACTIA Telematics Services continued to use geothermal energy, but still has no means of measuring the corresponding consumption.

It is worth noting that the electricity produced in France is more than 90% decarbonated.

5.3.2 Air emissions and greenhouse gases

As part of the ongoing development of the Company's mobility plans, the sites in Toulouse make available electric vehicles for business travel over short distances (light and utility vehicles). Actions aimed at encouraging carpooling had to be suspended due to the health constraints.

The subsidiary in Spain uses electric vehicles for employees' business travel.

In Tunisia, the production facility continued to offer a collective transport solution for the personnel, outsourced to an external service provider, and the Design Office provides a 50-seater shuttle bus for employees to use when commuting. The production facility has also acquired an electric shuttle to transport different products, packaging, parcels, components and other items around its site.

In Sweden, rail is the preferred form of transport for travel between sites.

Finally, in Belgium, carpooling and bicycles are encouraged whenever possible, although home-working is still used.

The operations carried on at the facilities do not generate any significant air emissions. However, some sites voluntarily conduct quantitative and qualitative tests on their air emissions, including two of the four production facilities: the results remain satisfactory.

Since 2021 ACTIA Automotive, a subsidiary based in Toulouse, has adopted procedures for conducting a greenhouse gas emission assessment.

In addition, as part of an initial global approach, we sought to identify greenhouse gas emissions originating from energy consumption of the different Group entities using electricity for industrial purposes (ovens, soldering machines, environmental test chambers, etc.) and gas used exclusively for heating premises. The emissions factors taken into account are based on ADEME (the French environmental agency) data on www.basecarbone.fr. Emissions expressed in tonnes CO₂eq. reflect a rigorous policy for monitoring energy consumption through the ISO 14001-certified Environmental Management System implemented in 70% of Group entities.

Greenhouse gas emission in tonnes CO ² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2020	314	616	2,659	782	4,372	150	464	4,522
2021	365	536	3,095	832	4,827	138	504	4,966
2022	249	415	4,204	1302	6,169	113	362	6,282

Moreover, the Group takes into account emissions from the vehicles it operates. To make the calculation, we started with the fleet of vehicles, their mileage for the year and/or the fuel consumption whenever this figure was available. The emission factors are taken from the ADEME carbon data base; as only the emission factors in France were available, they were used by default for the whole ACTIA Group.

In 2022, the Group achieved the following results:

In tonnes CO ² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	233	194	13	63	503	117	350	620
Emissions from operations	249	415	4,204	1,302	6,169	113	362	6,282
% operated vehicles/ operations	93.5%	46.8%	0.3%	4.8%	8.1%	103.6%	96.7%	9.9%

In 2021, the Group achieved the following results:

In tonnes CO ² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	613	208	12	42	875	50	663	925
Emissions from operations	365	536	3,095	832	4,827	138	504	4,966
% operated vehicles/ operations	167.9%	38.8%	0.4%	5.1%	18.1%	36.0%	131.6%	18.6%

In 2020, the following values covering 82.0% of the scope in question were recorded, with some subsidiaries unable to report the information needed for the calculation:

In tonnes CO ² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	650	538	15	67	1,271	83	733	1,354
Emissions from operations	314	616	2,659	782	4,372	150	464	4,522
% operated vehicles/ operations	206.9%	87.4%	0.6%	8.6%	29.1%	55.3%	157.9%	29.9%

5.3.3 Climate change and biodiversity

As can be seen from the information presented above, the Group's activities have little impact on the environment and everything possible is done to take into account the climate change we are experiencing, in terms of both the measures taken to limit the consumption of water and energy and raising the awareness of employees, who are informed by:

- ⊙ Brochures;
- ⊙ Regularly displaying objectives, plans for improvement and the results of audits;
- ⊙ Certification audits;
- ⊙ Intranet and emails;
- ⊙ Promoting environmental days and weeks in France and abroad;
- ⊙ Information provided when employees are hired and/or during the year; annual, quarterly and bi-monthly meetings depending on the site; instructions to promote energy savings.

For example, staff from the French subsidiary ACTIA Telecom are provided with environmental awareness training when they are hired, as well as yearly information about the annual targets.

Taking into account the environment and biodiversity has also contributed to the design and development process of ACTIA products in the following areas:

- ⊙ Adopting a different approach in terms of the choice of materials and certain components;
- ⊙ Taking into account the notion of eco-design for new products;
- ⊙ Certification criteria or the environmental approach integrated within the system for evaluating suppliers, developing a manual defining requirements for their classification, verification of ISO 14001 certification, supplier audits and/or annual evaluations, developing environmental initiatives with key suppliers;
- ⊙ Locally, in Brazil for example, a supplier manual has been developed to set out the requirements for classification: every supplier classified as having an activity with an environmental impact must present their operating licence issued by the relevant environmental authority. The objective is to develop environmental measures with key suppliers.

At the present time, the Group has not identified any major risks related to possible climate changes that could potentially affect its activity. We remind you that all the risks faced by the Group are discussed in chapter 6 "Risk factors" of the Annual Report.

5.3.4 Internal organisation of environmental management

ACTIA's management coordinates all environmental actions through the CSR department created in September 2022.

Implementation of environmental management actions is managed by an Environment Manager reporting to the Systems – Quality/Environment Department of ACTIA Automotive S.A. for the two Toulouse sites. This manager shares his/her experience with the Group by assisting the Group's entities on an as-needed basis on request from the Group CSR department.

The Environment Manager has taken environmental management training.

In line with the implementation of the ISO 14001 standard, the general awareness session to train and inform employees on environmental matters is carried out regularly for the sites concerned. A training plan and a timetable to raise awareness have been drawn up as part of the Environmental Management System (EMS). ACTIA Automotive also holds awareness sessions for all new employees on their day of induction. Staff are informed of actions taken and the channels are available to them to report all relevant information.

The in-house organisation of risk management concerning accidents has been put in place at the ACTIA Automotive sites. The latter has embarked on the setting up of an Environmental Management System using the FMECA method, a system that requires potential emergency situations, including incidences of pollution, to be identified and assessed in order to remedy them with an obligation to document a "response to emergency situations" procedure, having identified them.

The Group companies with a department devoted to the environment, such as ACTIA Automotive and ACTIA Telecom (France), CIPI ACTIA and ACTIA Engineering Services et ACTIA China (China), have a combined dedicated staff totalling more than 14 people. This means that 84.0% of the Group's employees have access to environmental assistance, a figure which increased by 0.7% for the reporting period.

Furthermore, these sites also take into account environmental impacts when designing new products and vendor/supplier procedures and gather regulatory intelligence.

5.3.5 Consumption and waste

Consumption of raw materials and packaging

The Group's operations do not directly consume raw materials drawn from the natural environment since it uses only manufactured products (electronic components, electrical wiring, etc.), primarily consisting of metals and plastic. Most facilities have had waste separation systems in place for a number of years, especially for packaging (cardboard, wood, packing fill materials, plastics, and pallets), and procedures providing for the reuse of wooden crates, plastics and cardboard boxes and promoting the recovery of materials from these items. Measures in favour of standardisation and reducing the number of packaging items remain in place.

Concerning packaging, the Group uses different types of products: cardboard, wooden filling materials, plastic films, paper, extruded foam. It remains very difficult to obtain quantitative reporting data on the consumption of these materials as there is no specific monitoring tool in place. Certain data is today reported in units, tonnes or m³.

In line with its increasing commitment to environmental monitoring of its activities, ACTIA has developed reporting on data relating to its consumption of chemical products. The study shows that the Group used roughly 46.3 m³ of various chemical products, compared to 38.1 m³ in 2021 and 25.1 m³ in 2020. The 21.5% increase is due to business recovery in 2021. These chemicals primarily include varnishes, solvents, diluents, solder paste and isopropyl alcohol. It should be noted that these figures only concern the main products used at the Group's major production facilities in order to be consistent and effectively track any changes.

Ground use

None of our facilities uses the ground as such, other than to serve as sites for buildings.

The facilities taken together cover a total of 26.6 hectares. Of this surface area, 38.7% is covered by landscaped green areas (54.0% in France).

Water and ground discharges

The operations carried on at the facilities do not generate significant water or ground discharges:

- ⊙ Wastewater is of the "domestic" type and is discharged into the public sewage system to be treated; several alternatives exist: wastewater system, septic tank, drainage or, in China, a sewage farm;
- ⊙ Potential pollutants (varnishes, solvents, etc.) are not stored on the ground but rather in ad hoc storage containers prior to treatment in compliance with the standard in force (see § 5.5.2 "Waste management").

Noise and odour pollution

Our activities are not noisy and are odourless.

No incident has been recorded by the various facilities and there were no complaints from neighbours in 2022 or indeed before that.

5.3.6 Amount of provisions and guarantees

Given that the Group's operations do not present any material environmental risk, no provision or guarantee was put in place in 2022, or in previous financial years.

5.3.7 Amount of indemnities paid during the period and remediation work

In 2022 no indemnity had to be paid for any environmental problem or accident and no environmental remediation work was required.

6 OUR SOCIETAL RESPONSIBILITY APPROACH

6.1 FOOD WASTE

The Group overall is not impacted by this indicator. However, some subsidiaries have decided to question their subcontractors and include this issue, insofar as possible, in negotiations with the various service providers responsible for supplying the different sites. In particular, when renewing its catering contract, ACTIA Automotive (France) selected a service provider who is highly involved in this issue. Among other things, they have proposed many initiatives to reduce waste and improve recycling, along with a short supply chain for food. They also track their environmental, social and societal indicators on a regular basis. A change which had an immediately measurable effect consisted in allowing every employee to serve themselves. This reduced waste on the trays to virtually zero. Unfortunately, we were not able to continue this practice due to the health constraints, and were forced to reinstate individually prepared portions. This practice was reinstated in 2022.

This option, which was promoted by employee representatives, was also intended to offer healthier food. The immediate result was to increase traffic in the restaurant which led to:

- ⊙ A positive impact on well-being at work: employees say that they are more alert in the afternoon. Eating on-site is less stressful because wait times are shorter;
- ⊙ An ecological impact by limiting travel by car: the employees leave the site less often to eat;
- ⊙ An impact on relationships between employees: i.e. increased conviviality and the opportunity to meet and talk with new people.

Our catering service provider promotes many benefits:

- ⊙ Local or regional purchasing, with no central purchasing: the manager is free to select the suppliers;

- ⊙ Employee training is their primary concern;
- ⊙ All new hires meet the Chairman-CEO during a Company discovery day;
- ⊙ Every employee becomes a shareholder of the Company when they reach ten years' seniority;
- ⊙ The food delivered to the site is fresh. There can be more waste (peels, crates), but it is easy to recycle (composting, recycling) and the process is well understood;
- ⊙ The facility manager is a cook and is, therefore, a stakeholder in any improvements and the satisfaction level of the users of the services provided;
- ⊙ Charitable activities are organised on a regular basis, including bake sales for the benefit of an association for the disabled and the operation "Dessert Solidaire" ("solidarity dessert") at the end of the year for the benefit of the NGO "Action against hunger."

The other challenges of food waste, i.e. the fight against food poverty, respect for the well-being of animals, and responsible, fair and sustainable food are not relevant for the Group.

At the end of 2021, a study was launched to organise the sorting of organic waste from 2022 in the main dining area. The project is expected to start in 2023.

The Tunisian subsidiary ACTIA Engineering Services also opted for a responsible catering service provider.



6.2 OUTSOURCING

Most of the sites covered outsource different tasks of which there are two main types:

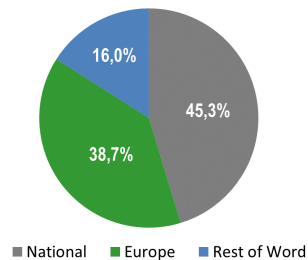
- ⦿ In manufacturing, some sub-assemblies, such as embedded audio and video systems, may be outsourced by certain subsidiaries. This production is performed directly at the sites of subcontractors approved by the Group;
- ⦿ For R&D, depending on the specific nature of the requests, the subcontractors may intervene directly on ACTIA's premises, on our customers' sites or according to their own organisation (office, home-working).

Current subcontractors vary according to Group entity and some subsidiaries have adopted assessment procedures (audits) to comply with requirements relating to quality standards, employee working conditions and the desired environmental standards depending on their certification level. It should be noted that in order to overcome the recruitment difficulties observed across our structures, ACTIA opted for a greater use of subcontracting in 2022.

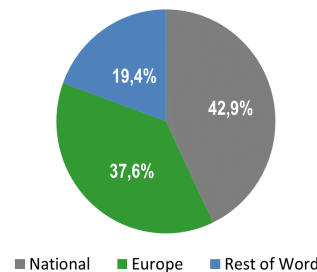
6.3 RELATIONS WITH THE LOCAL ENVIRONMENT

The economic impact of the Group's operations is calculated on the basis of the breakdown of production-related purchases, as follows:

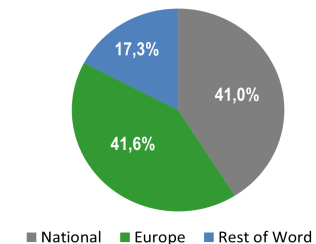
Economic impacts / regional breakdown of purchases - 2020



Economic impacts / regional breakdown of purchases - 2021



Economic impacts / regional breakdown of purchases - 2022



There was an upward trend in international purchases in 2021, fuelled by purchases of components from international brokers to compensate for the lack of components from the usual suppliers. This trend continued into 2022.

In 2022, ACTIA Group was behind the launch of the Occitanie ETI club. This association brings together nearly 30 mid-market companies. ACTIA is active in the HR and CSR committees.

Generally speaking, for electronics, as the global manufacturing of basic products (components, printed circuits, etc.) is mainly concentrated in Asia and North America, it is impossible to favour local supply chains as the sought-after resources are just not available.

6.4 RELATIONS WITH STAKEHOLDERS AND SOCIAL WORKS

Some Group entities belong to trade bodies: In France, Union des Industries et Métiers de la Métallurgie (UIMM), MEDEF (employers' union), the movement for mid-market companies (METI), scientific bodies such as Aerospace Valley, Tompasse and social bodies such as Action Logement, a body that collects the tax for the construction of housing, financing construction and helping employees to find housing. Elsewhere, with the CIPI ACTIA membership of the United Nations Global Compact for human rights and the environment, the metal industry employers' union in Madrid (Spain), SMMT (local union in England), and the Chinese Bus and Coach Association.

As a founding member, ACTIA was strongly involved in the launch of the Occitanie ETI Club in 2022. The aim of this association is to promote links between mid-market companies in the region by sharing approaches and organising working groups, particularly in the areas of CSR and human resources. It is also open to high-growth Small & Medium-sized Enterprises (SMEs) in order to support them and promote their transformation into ETIs.

The Group also has good relations with post-secondary educational institutions with which it participates in research activities and has end-of-studies internship programme partnerships.

In France, ACTIA Group has signed a partnership agreement with six **major educational establishments** ("Grandes Écoles"): Ecole des Mines Albi-Carmaux (engineering), the Toulouse Business School, ENSEIHT (electro-technical, electronics, IT, hydraulics and telecommunications), ENSIL (engineering in Limoges), INSA (applied sciences in Toulouse) and ISAE (aeronautics and space).

ACTIA Group also supports the INSA Foundation, the purpose of which is to provide long-term support in terms of equal opportunities for student engineers who find themselves in financial straits by offering them the possibility of obtaining a grant. Jean-Louis Pech, Group Chairman and CEO, has been president of the INSA University Foundation since its creation in 2016. ACTIA contributes €85,000 to the budget of this Foundation. This budget is used in particular to fund part of the scholarships of the INSA Foundation for students: "Donner une chance" (Giving an opportunity), High school scholarship, "Coup de pouce entrepreneurial" (A boost for entrepreneurship). This budget also helped the Toulouse Ingénierie Multidisciplinaire (TIM) association to carry out its mission and thus meet innovative technological challenges by designing, manufacturing and optimising highly fuel-efficient vehicles.

On the international front, partnerships have been entered into with Politecnico and the University in Turin (Italy), London University and Learnex (Mexico), the University of Shanghai (China), and with a number of engineering schools in Tunisia.

ACTIA also supports the Toulouse Capitole National Orchestra, through the Aïda Foundation.

Some subsidiaries support various local associations. For instance, in Toulouse, ACTIA showed its commitment by becoming a founding member of the "Le Cœur des Entreprises" association. Businesses are rallying around to serve the most vulnerable. The goal is to "Pool human, financial and real estate resources in businesses to make them available to the stakeholders working in the region to take care of the homeless and people in great difficulty" as well as to foster the inclusion of disabled people.

Group actions can take the form of:

- ⊙ Donations, such as IT equipment donated to a school which helped keep a satisfactory number of computers up and running, for use by pupils to help them learn, and to a parents' association, for pre-school and primary school children.
- ⊙ Involvement of teams in supporting young people from disadvantaged neighbourhoods in finding their first job ("Nos Quartiers ont du Talent" (Our Neighbourhoods have Talent));
- ⊙ Financial contribution to certain selected associations.

As for ACTIA Engineering Services (Tunisia), it is a partner in the Elife programme launched by the Tunisia Foundation for development, for the following activities:

- ⊙ Opening of technological centres specifically for young Tunisians in the most marginal and underprivileged regions;
- ⊙ Selection of young ISET (Higher Institute of Technological Studies) graduates mainly on the criterion of motivation;
- ⊙ Upskilling to improve their chances of finding a profession thanks to a 180-hour training programme including language, communications and preparation for digital professions.

This subsidiary continues to support the Sidi Ammar primary school in the region of Fernana (Governorate of Jendouba) by offering sponsorship, extracurricular outings, collection of school supplies, events at the company, etc.



ACTinCube incubation programme:



Set up in the ACTIA Engineering Services subsidiary, the incubation programme helped 6 selected start-ups to reach TRL9 (*Technology Readiness Level*), which corresponds to the industrialisation phase and which requires certain critical processes to be implemented. The programme aims to further strengthen, structure and enhance the ecosystem of entrepreneurship and innovation in Tunisia. It also strives to strengthen partnerships within the innovative entrepreneurship ecosystem in Tunisia while having access to international opportunities through ACTIA.

In addition, ACTIA has been an ambassador for La Saison Bleue in Tunisia since 2018; the goal of this project is to promote Tunisia’s marine environment and boost the blue economy, while raising awareness about the vulnerability of the sea and coastline. In relation to this project, two days of discussions with experts and get-togethers with the general public are organised, based on themes such as the marine environment, technology and the sea, the sea and related professions, and marine leisure activities and culture.

The start-up “HAWKAR” has been part of the incubator for 4 years; the ambitious plan driven by this start-up is to build a compact and ecological electric vehicle that is economic to buy and run. The aim is to enable people with reduced mobility to travel more easily and independently, thus mitigating the shortfalls of existing infrastructure and public transport. This small vehicle is expected to:

- ⦿ Facilitate parking and make it easier to safely stow and remove a wheelchair;
- ⦿ Be rechargeable directly by connecting to the standard grid;
- ⦿ Protect the environment, be silent, more economic than a petrol model, with low maintenance costs, and adaptable to different types of physical disability.

From the outset, ACTIA Engineering Services has provided HAWKAR with advice, technical support and finance to enable it to produce the first prototype. In 2020, despite the unusual circumstances, the first product was developed. Building on this experience, HAWKAR and ACTIA Engineering Services aim to improve this first model and obtain its approval. HAWKAR is also developing an electrically assisted wheel that can be mounted on a wheelchair to electrify it at a very low cost, thus making it accessible to the greatest number of people.

6.5 FAIR PRACTICES AND TAX EVASION

In 2018, the Group adopted an Anti-corruption Code and an internal whistleblower scheme. E-training was carried out in 2019 to raise the awareness of the issue and inform employees who are exposed to the risk of corruption. The training programme is intended to be accessible to all Group employees. The Group's internal control function has also been reinforced with the creation and implementation of procedures in sensitive areas such as conflict of interest.

The Group's objective is to raise anti-corruption awareness among all employees and to train the most vulnerable jobs (purchasing, sales, managers). Overall, these jobs represent an average of 20% of the workforce. Today, 66% of the target population has been trained. ACTIA plans to complete these courses in 2023.

A Gifts policy was rolled out in 2021 throughout the Group.

The Code of conduct, the Code of ethics and the whistleblowing scheme were updated in 2021 following regulatory changes. The whistleblowing system is no longer limited to anti-corruption, but covers everything that is considered a potential crime. They are available on the Group's website: <https://www.actia.com/en/the-group/commitments>. In order to keep pace with recent regulatory changes, a form for internal or external whistleblowers is being prepared.

Concerning the measures taken for the health and safety of consumers, products developed by the Group are subject to the safety concerns and the improvement of respect for the environment, particularly in the field of the mobility of goods and people.

ACTIA in most cases intervenes in one of the components of a more complex product that may subsequently be used by the end customer. On this basis, the Group meets the requirements established set for this purpose by the manufacturer of the end product, while being proactive about making suggestions.

With respect to tax evasion, it should be noted that the Group does not have any facilities in countries on the tax haven blacklist. The Group opened facilities in Tunisia between 1997 and 2005 to develop its printed circuit board production and integration and R&D sites at a lesser cost. The aim was and still is to ensure the Group retains its competitive edge in international calls for tender. In accordance with the legislation on foreign capital in effect at the time, the companies have offshore status. The growth of the Group's business has enabled the creation of many local jobs. The Group remained committed to supporting the business during the Tunisian crisis of 2011, although many customers requested that production in Tunisia be closed down. Group management believes that the Company's role is essential due to local employment, training and investment to support the economy it provides.

ACTIA's price transfer policy is based on split profits which is, in turn, based on the added value of each company. They are set based on the operational environment of the transactions, the location of intangibles and economic and regulatory circumstances.



7 RESPONSIBLE ACTIVITIES APPROACH

7.1 TAXONOMY-ELIGIBLE ACTIVITIES

As ACTIA has moved to a non-regulated market, the Group is no longer subject to the taxonomy reporting requirement. However, the Group wishes to maintain the same reporting scope as in the previous year and makes a voluntary taxonomy reporting.

The Taxonomy Regulation of the European Union (EU) (Regulation EU 2020/852 published on 18 June 2020) has defined, on a scientific basis, a list of economic activities and technical criteria for qualifying the ecologically sustainable nature of some of these. These technical selection criteria are defined in two delegated acts of the European Commission (EC), published on 21 April 2021 and 6 July 2021. The list of activities has been compiled by focusing on nine macro-sectors generating more than 93% of direct greenhouse gas emissions in the EU in 2017 (OECD).

The first two delegated acts deal with economic activities that can contribute significantly to the objectives of climate change mitigation and adapting to climate change. Four more are planned. The Taxonomy Regulation has created a classification system that should serve as a common language for investors to identify projects and conditions that allow the selected economic activities to have a substantial positive impact on the climate and the environment.

The activities listed by the Taxonomy Regulation are said to be “eligible”. These activities contribute to direct GHG emissions and have the potential to be improved in terms of carbon footprint. As such, the percentage of eligible activities of an organisation is not in itself a measure of its impact on climate change.

In 2022, ACTIA identified two eligible activities in two categories for the climate change mitigation objective among those listed in the delegated act. The alignment of the activities was also verified. The activities are aligned with technical elements through their certifications (CE marking in particular). Some information is missing from the environmental impact assessment section, which needs to be more extensive.

The two eligible activities are presented below:

Manufacturing industry

Manufacture of low-power rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components). Recycling of end-of-life batteries.

Micromobility business:



On 1 August 2021, ACTIA gave the two-wheel electric traction system its first test drive with the launch of a new business dedicated to micromobility, in particular the Electrically Assisted Bicycle (e-bike). This activity is therefore operating in this fast-growing market. E-bike sales in Europe are increasing by nearly 50% per year. Driven by its own specific international competitive conditions, the business is mainly guided by the change in urban mobility practices and the digital needs of users and fleet managers alike. As an equipment manufacturer, ACTIA holds all the keys for targeting this market in a highly competitive manner, including:

- ⊙ Its experience as a system designer, especially in electrification and vehicle connectivity;
- ⊙ Its local industrial infrastructure that meets the Automotive quality standards;
- ⊙ Its know-how in personalisation according to customer needs;
- ⊙ Its agility and capacity for innovation.

⊙ Energy - transmission and/or distribution of electricity

SmartGrid activity

Example of a recent project: SMART Occitania:

Innovative system of Smart Grids to coordinate energy production and consumption.

- ⊙ In partnership with Enedis and the Occitanie Region;
- ⊙ Smart Grid in rural areas (ADEME);
- ⊙ ACTIA is in charge of Production and Consumption regulations - Storage management.

7.2 NON-ELIGIBLE RESPONSIBLE ACTIVITIES

Certain ACTIA activities are not taxonomy-eligible with regard to the current eligibility conditions. However, we wanted to present below some of the activities carried out by the Group that have a positive environmental or social impact:

☉ I-Can:



ACTIA is a major international player in embedded telematics. The Group supplies the world's major manufacturers of industrial and commercial vehicles and manufacturers of premium brands of light vehicles. In total, more than 5 million telematics units have been manufactured by ACTIA to equip these vehicles. The i-Can, in particular, supports drivers in eco-driving, for sustainable and eco-responsible mobility.

TBM: Transports Bordeaux Métropole has also praised our expertise: <https://www.youtube.com/watch?v=p-z8r1oDtCA>.

☉ ACTIA, a partner of Sunna Design:



ACTIA is supporting **SUNNA DESIGN** in the international roll-out of its range of public solar street lights for urban areas and roadways.

Connected solar units manage the charging and discharging of the street light's battery, as well as its connectivity. ACTIA manufactures the printed circuit boards and integrates them in the units.

☉ KUMULUS:



Kumulus is one of the start-ups hosted at ACTInCube. Their objective is to develop an atmospheric water generator that converts humidity into drinking water. The system works with solar energy: <https://www.kumulustwater.com/#/>

This system avoids all use of plastic packaging and the logistics of transporting and storing water.

8 SUMMARY OF KEY INDICATORS

8.1 SOCIAL ISSUES

⊙ Employee loyalty

Associated risk	Key indicator	2021 result	2022 result	§ / p.
High turnover	turnover	12.3%	14.8%	§ 5.4.1.2.7 p.114
	number of hours of training per average headcount per year	13	17	§ 5.4.1.3.1 p.114

⊙ Attractiveness

Associated risk	Key indicator	2021 result	2022 result	§ / p.
Recruitment difficulty	headcount at year end	3,685	3,729	§ 5.4.1.2 p.106
	percentage of female employees	31.8%	32.5%	§ 5.4.1.2.1 p.107
	percentage of women on the Boards of Directors	36.6%	34.8%	§ 5.4.1.2.1 p.108
	percentage of women on the Management committees	23.8%	25.7%	§ 5.4.1.2.1 p.108
	percentage of open-ended contracts	91.6%	88.1%	§ 5.4.1.2.4 p.111
	breakdown of staff by age	815 < 30 years 2,176 between 30 and 50 years 694 > 50 years	975 < 30 years 2,088 between 30 and 50 years 666 > 50 years	§ 5.4.1.2.3 p.110

⊙ Employee Health and Safety

Associated risk	Key indicator	2021 result	2022 result	§ / p.
Accidents	frequency index of accidents with lost working days	8.2	8.5	§ 5.4.1.5.1 p.117
	severity rate of accidents with lost working days	0.1	0.04	§ 5.4.1.5.1 p.117
	frequency rate of accidents with lost working days	4.7	4.6	§ 5.4.1.5.1 p.117
Sickness	number of days of sick leave per employee	7.0	7.8	§ 5.4.1.5.2 p.118

8.2 ENVIRONMENTAL ISSUES

Associated risk	Key indicator	2021 result	2022 result	§ /p.
Pollution	quantity of waste produced by type of recovery	826 T	743 T	§ 5.5.2 p.124
	water consumption per employee	7.6 m ³ / year	10.7 m ³ / year	§ 5.5.1 p.123
	proportion of waste recycled	72.0%	70.3%	§ 5.5.2 p.124
Climate change	energy consumption	19,608.9 MWh	20,838.8 MWh	§ 5.5.3.1 p.126
	energy consumption per employee per year	5,359.4 kWh	5,735.7 kWh	§ 5.5.3.1 p.126
	greenhouse gas emissions related to energy consumption	4,522 tonnes CO ² eq.	6,282 tonnes CO ² eq.	§ 5.5.3.2 p.128

8.3 SOCIETAL ISSUES

Associated risk	Key indicator	2021 result	2022 result	§ /p.
Anti-corruption training	% of targeted employees trained in anti-corruption	Not known	66%	§ 5.6.5 p.136

9 REPORT OF ONE OF THE STATUTORY AUDITORS, DESIGNATED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

To the General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the “entity”), appointed as independent third party and accredited by COFRAC under number 3-1884¹, we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), for the year ended 31 December 2022 (hereinafter, respectively, the “Information” and the “Statement”), presented in the Group’s management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures performed, as set out in the “Nature and scope of our work” section of this report, and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial statement

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

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement (or available on the website or on request from the entity’s registered office).

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the Entity

It is the responsibility of the Management to:

- ⦿ Select or establish suitable criteria for preparing the Information;
- ⦿ Prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- ⦿ Prepare the Statement by applying the entity’s Guidelines as mentioned previously; and
- ⦿ Implement internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

¹ COFRAC accreditation Inspection, no. 3-1884, available for consultation at www.cofrac.fr

Responsibility of the Statutory Auditors designated an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- ⊙ The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- ⊙ The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

It is not our responsibility to comment on:

- ⊙ The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
- ⊙ The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- ⊙ The compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional opinion of the French Institute of Statutory Auditors, Engagement of Statutory Auditors, Engagement of the independent third party – Non-Financial Performance Statement, and acting as the verification programme and the international standard ISAE 3000 (revised)¹.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work drew upon the expertise of three people. It was conducted between November 2022 and April 2023 over a total period of approximately two working weeks.

We were assisted in our work by our sustainable development and social responsibility experts. We interviewed a dozen people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- ⊙ We have noted the activities of all entities included in the scope of consolidation and the principal risks;
- ⊙ We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- ⊙ We verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 concerning social and environmental matters, as well as the respect for human rights and the fight against corruption and tax evasion;
- ⊙ We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- ⊙ We verified that the Statement presents the business model and a description of the principal risks related to the activities of all the entities included in the scope of consolidation, including, when relevant and proportional, the risks created by business relationships, products or services and policies, actions and results, including key performance indicators for the principal risks;

¹ ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

SUSTAINABLE DEVELOPMENT

REPORT OF ONE OF THE STATUTORY AUDITORS, DESIGNATED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

- ⊙ We consulted documentary sources and conducted interviews in order to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendices. Concerning certain risks¹, our work was carried out on the consolidating entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities².
- ⊙ We verified that the Statement covers the scope of consolidation, namely all of the entities included in the scope of consolidation, in accordance with Article L.233-16, with the limitations described in the Statement;
- ⊙ We noted the internal control and risk management procedures put in place by the entity and assessed the data gathering process intended to reflect the completeness and truthfulness of the information;
- ⊙ We implemented the following for the key performance indicators and other quantitative results we deemed most important:
 - Analytical procedures consisting of verifying the correct consolidation of the data collected and the consistency of changes;
 - Tests of details, using sampling techniques or other selection methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities⁴ and covered between 22% and 44% of the consolidated data selected for these tests;
- ⊙ We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris La Défense, 28 April 2023

KPMG S.A.

Fanny Houlliot, *ESG Expert ESG Centre of Excellence*

Mathieu Leruste, *Partner*

¹ Respect for human rights and the fight against corruption and tax evasion

² ACTIA Automotive (France), ACTIA Nordic (Sweden), ACTIA EMS (Sweden)

Appendix

Qualitative information (actions and results) considered most important

 Relationship with engineering schools

 First aid training for employee health

 Technology training roadmap

 Management of psychosocial risks

 Encouraging soft mobility

 Actions to raise awareness about environmentally responsible practices

 Water treatment to reduce pollution

 Commitments and measures in favour of the fight against corruption and tax evasion

 Measures implemented to promote human rights

Key performance indicators and other quantitative results deemed most important

 Headcount at year end and breakdown by gender

 Turnover

 Percentage of women on the Boards of Directors

 Percentage of women on the Management Committees

 Frequency of occupational accidents with lost working days

 Severity of occupational accidents

 Number of days of sick leave per employee

 Training hours per average headcount

 Energy consumption per employee

 Water consumption per employee

 Greenhouse gas emissions related to energy consumption

 Amount of waste generated

 Proportion of waste recycled

 Share of employees trained in anti-corruption



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