

EXTRA-FINANCIAL PERFORMANCE REPORT / 2020 FINANCIAL YEAR

ATLANTIC FRENCH COMPANY SPECIALISED IN THERMAL COMFORT SOLUTIONS

Public limited company with an executive board and supervisory board, and capital of €14,032,400

44 Boulevard des Etats-Unis | 85000 La Roche sur Yon | 562 053 173 RCS La Roche sur Yon





CONTENTS

INTRODUCTION	P. 3
1 BUSINESS MODEL	P. 4
2 NOTE ON METHODOLOGY	P. 13
3 RISK ANALYSIS	P. 15
4 SOCIAL CHALLENGES	P. 19
4.1 Equal treatment	P. 19
4.1.1 Accessibility policy	P. 19
• Number of employees with disabilities	P. 20
4.1.2 Gender equality	P. 20
• Gender equality index	P. 21
4.2 Talent recruitment and retention	P. 21
4.2.1 Relationships with schools & apprenticeships	P. 21
• Rate of staff turnover	P. 22
4.2.2 Internal training (pépinières training programmes, expert sector)	P. 22
• Internal training	P. 23
• Internal mobility	P. 23
4.3 Health & safety and working conditions	P. 24
• Number of workplace accidents	P. 25
• Rate of severity	P. 26
• Rate of frequency	P. 26
4.4 Quality of life at work	P. 27
4.4.1 Employee satisfaction at work	P. 27
• Internal employee satisfaction survey results	P. 28
• Absenteeism	P. 28
4.4.2 Collaborative work	P. 29
4.5 Social dialogue	P. 30

5.	Societal challenges	P. 31
5.1	Business ethics	P. 31
5.1.1	Anti-corruption charter	P. 31
5.1.2	Personal data protection	P. 31
5.2	Purchasing policy	P. 31
5.3	Stakeholder relationships	P. 32
5.3.1	Sponsorship and partnerships.....	P. 32
5.3.2	Industry-specific training.....	P. 33
6	ENVIRONMENTAL CHALLENGES	P. 35
6.1	GROUPE ATLANTIC's environmental statement	P. 35
6.2	Controlling the environmental impact of industrial sites.....	P. 36
6.2.1	Environmental management system	P. 36
6.2.2	Sustainable use of resources.....	P. 36
6.2.3	Pollution and waste management.....	P. 37
6.3	Sustainable offering	P. 37
6.3.1	Taking our products' environmental footprint into account.....	P. 37

INTRODUCTION

As part of a global approach that considers social and environmental challenges, in 2014 GROUPE ATLANTIC decided to establish an internal organisation to oversee its social and environmental responsibility.

THIS LED TO THE CREATION OF THE CSR COMMITTEE, COMPRISED OF:

- the Sustainable Development Department,
- the Group Legal Department,
- the Group Communications Department,
- the Group Purchasing Department,
- the Industrial Department,
- the Sales Management Department,
- the Group Human Resources Department and
- the Customer Service Division.

This committee's purpose is to structure the Group's Sustainable development process, explore areas for improvement and work with the departments to devise cross-functional projects.

These processes are led by the Sustainable Development Department, which comprises two people. This department is dedicated to all environmental aspects of the Group's operations. Other parts of the CSR approach are divided up among other Group departments.

THE SUSTAINABLE DEVELOPMENT DEPARTMENT'S PROCESSES ARE ORGANISED USING TWO APPROACHES:

A 'Group' approach

- Providing support & guidance for the environmental approach for industrial sites and the Group's various operational services, including legal oversight, and raising awareness among Group employees, particularly during Sustainable Development week,
- Sharing information about GROUPE ATLANTIC sustainable development via various media,
- Customer relations (answers to CSR evaluation surveys, sustainable development surveys).

A 'product' approach

- Product life cycle assessments (PEP sheets).
- Legal oversight and monitoring of environmental regulations relating to products
- Environmental organisation management.

In accordance with legislation on social, environmental and societal information, GROUPE ATLANTIC has used the approaches outlined above to establish this extra-financial performance report, which includes the following components.

Atlantic Société Française de Développement Thermique, through all of its subsidiaries and holdings (hereinafter referred to as GROUPE ATLANTIC), contributes to the development and marketing of climate control engineering products.

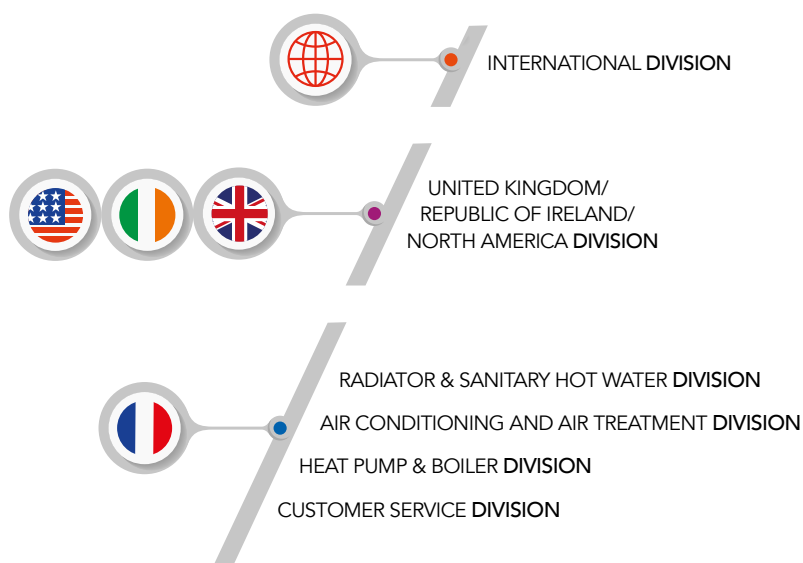
GROUPE ATLANTIC has set itself the following mission:

TO TRANSFORM AVAILABLE ENERGIES INTO LASTING WELL-BEING BY CREATING THERMAL COMFORT SOLUTIONS THAT ARE ECOLOGICALLY EFFICIENT, ACCESSIBLE TO ALL AND SUITED TO INDIVIDUAL NEEDS.

Water heating, air heating, energy management, air conditioning and ventilation: GROUPE ATLANTIC develops high-performance solutions that are both competitive and environmentally friendly. They are designed for individual homes, collective housing, offices, shops, schools, airports, hospitals and all other tertiary buildings.

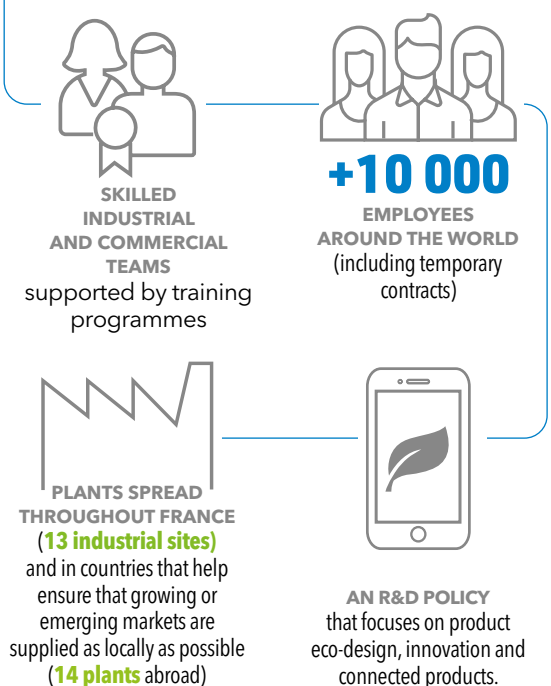
In order to preserve its ability to grow rapidly and develop a relevant offer for each of its markets, GROUPE ATLANTIC is organized into business units. Phone specialization allows us to benefit from the best talents and best practices in each of our areas of expertise.

✓ **The 6 divisions of GROUPE ATLANTIC** collaborate daily to promote synergies in terms of innovation and customer support.



KEY RESOURCES

GROUPE ATLANTIC relies on:



ACTIVITIES (PRODUCTION, DISTRIBUTION, etc.)

GROUPE ATLANTIC performs the following activities:

- ✓ The manufacture of climate control engineering products – heating, sanitary hot water and ventilation – through various ranges using energies such as electricity, fossil fuels and renewable energy.
- ✓ Distribution of the climate control engineering products that it manufactures, as well as air conditioning products,
- ✓ Services relating to the products sold, such as maintenance, repair, training and pre-sales in cooperation with engineering and design offices.

Products are manufactured by plants in France and abroad.

**THE GROUP IS ALSO PRESENT VIA 17 SPECIALIST BRANDS,
LEADERS IN THEIR SECTOR.**

atlantic

Thermor

Jauter

lazzarini

YGNIS

ideal
HEATING

Hamworthy

GLEDHILL

AE
Austria Email

erensan

**Triangle
Tube**

ACV

Keston
BY IDEAL BOILERS

ORCON

INNOVERT

edesə

TEPLOLUXE



Each Group brand boasts specific expertise and positioning. Whether they're working for the end consumer or professional customers, they all share the spirit of innovation, product quality and a sense of service.

atlantic A multi-energy product range for residential and tertiary markets all over the world heating (connected radiators, heat pumps, boilers, etc.), sanitary hot water, air-conditioning and ventilation.

Thermor Connected radiators, electric and renewable energy water heaters, swimming pool heat pumps: Thermor is the leading heating expert in France and around the world.

Jauter Radiators, water heaters and ventilation systems, all easy to install when renovating your home, on sale in France to the mass market.

YGNIS The benchmark in mainland Europe (outside France) for commercial heating systems for housing and tertiary buildings.

lazzarini Italian-designed radiators and bathroom radiators for European markets.

erensan Commercial heating for residential buildings; heating, steam and pressurised water for industrial sites: Erensan is one of the Turkish leaders in these markets.

AE Austria Email Specialist in sanitary hot water, with a full range of top-quality electric water heaters, renewable energy and indirect storage tanks.

Hamworthy Specialist UK manufacturer of premium commercial boilers with heating, hot water and renewable solutions for residential and commercial buildings.

Keston BY IDEAL BOILERS The specialist in wall-mounted 'double-flow' condensing boilers for light commercial and larger domestic properties in the UK.

GLEDHILL UK specialist manufacturer of duplex stainless steel and copper hot water cylinders and heating solutions for domestic, commercial and industrial use.

ideal HEATING Leading manufacturer of domestic and industrial condensing boilers and sanitary hot water for UK and Ireland.

Triangle Tube The North American specialist in heating and hot water products for the residential and commercial markets.

ACV A Belgian brand that offers a wide range of heating and hot water products for the domestic, tertiary and industrial markets.

ORCON A Dutch specialist in ventilation systems for homes as well as commercial and tertiary buildings.

INNOVERT Hydraulic heating and cooling ceiling solutions, for new builds in France.

edesà A brand for the Iberian market with a range of domestic hot water products for the general public.

TEPLOLUXE Floor heating cable and temperature control specialist.

MARKET, PRODUCTS, CUSTOMERS

Climate control engineering products are an integral part of the construction market, since they cover heating, ventilation and air conditioning of buildings.

Access to the new build market for climate control engineering products involves:

- National legislation, particularly in terms of regulations on construction
- Construction development programs
- Market price trends (crises, speculative bubbles)
- Measures encouraging property ownership (government incentives, financial resources of purchasers)

In the renovation market, there are significant needs due to:

- the age of some residential buildings
- the desire for energy savings, particularly as a result of rising energy costs (oil, gas, electricity) and the political will to reduce greenhouse gas emissions (CO₂)
- attempts to increase buildings' energy efficiency.

Some local legislative bodies support the renovation market through financial and/or tax incentives in order to ensure improvements are made to buildings and residences.

PRODUCTS

Climate control engineering products are also dependent on the energy market. In France, for example, with the adoption of RT2012 legislation, heating and domestic hot water production via the use of electricity was pushed into the background in the construction of new collective housing. Regulation covering more specific situations in terms of energy in new builds is still evolving. The RE 2020 legislation should restore balance in the energy mix for construction, as it will reintroduce options for using electricity products primarily via the use of heat pump technology, which is becoming more widespread in new builds, particularly collective housing.

In the United Kingdom, the regulation now forbids new builds from using gas-powered heating. This involves a change in direction for products offered by the company Ideal Boilers.

Increased gas and hydrocarbon consumption together with the depletion of natural resources and increased extraction costs will primarily result in an increase in structural costs for companies that work in extraction. In recent years, global demand has varied, leading to fluctuating prices for raw materials used in the manufacture of the Group's products, in addition to the

decisions by producing countries to alter the amount of raw materials extracted and produced. However, on the whole, the cost of raw materials has risen.

All of these aspects work in favour of products that are powered by renewable energies and/or are more energy efficient, with lower greenhouse gas emissions (CO₂).

Massive worldwide demand for energy, the inevitable and ever-increasing scarcity of fossil fuels (coal, oil, gas, uranium), the depletion of raw materials (copper, iron, lead, etc.) and the continued increase of greenhouse gas emissions have awoken the world to the need to change our methods of consumption, optimise energy use and promote renewable energy.

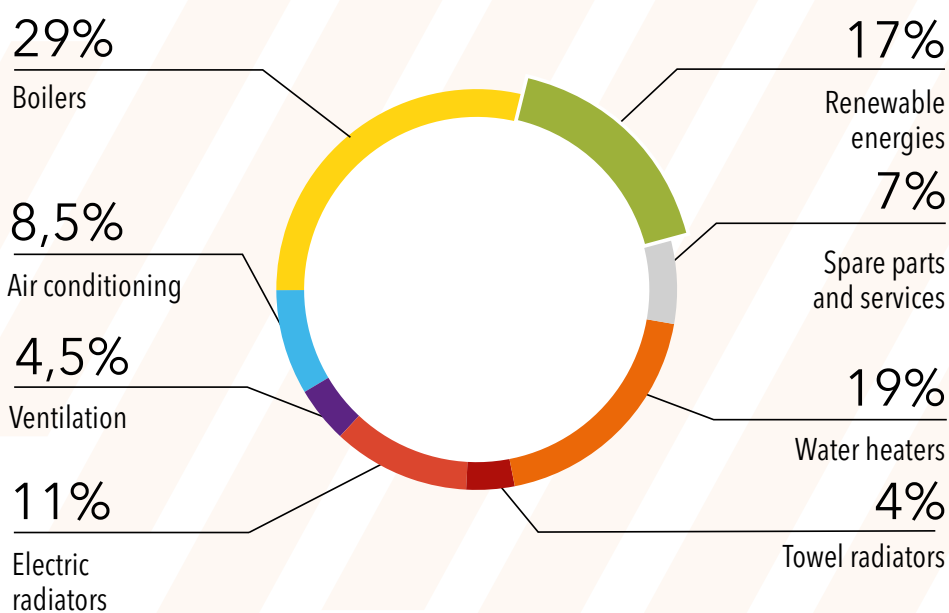
Regulations and legislation have been adopted in France and throughout Europe with a view to implementing eco-design for products that use energy, regulating efficiency and energy performance and reducing greenhouse gas emissions. These regulations have a significant impact on consumption choices and on the effect de serre. industrial strategies of the main players in the climate control engineering market.

GROUPE ATLANTIC offers a wide range of climate control engineering products, in heating (including sanitary hot water) as well as ventilation and air conditioning.

Whether conventional or just emerging, all energies catch the Group's interest, provided that their mid- and long-term relevance is validated.

BREAKDOWN OF THE ENERGY MIX 2

Turnover breakdown
In 2019 (€2.2bn)



2 - At the time of publication of this document, data for the year 2020 were not yet available

INDIVIDUAL SOLUTIONS

Radiators and bathroom radiators	Electric and renewable energies water heaters (from 15 to 400 L)	Gas, fuel oil and wood boilers	Heat pumps and hybrid solutions	Air conditioning and ventilation
				
Connected radiator	Electric water heater	Gas condensing wall-mounted boiler	Heat pump for heating and hot water	Dual-flow ventilation
				
Bathroom radiators	Heat pump water heater	Hybrid gas and solar boiler	Hybrid gas and heat pump boiler	Mono and multi-split air conditioning

COLLECTIVE AND TERTIARY SOLUTIONS

Commercial boilers (from 34 to 10,000 kW)	Industrial boilers	Collective sanitary hot water (from 300 to 5,000 L)	Boiler room equipment	Air conditioning and ventilation (from 80 to 11,000 m³/h)
				
Free-standing gas condensing boiler	High pressure hot water boiler (465 kW - 23 MW)	Gas sanitary hot water equipment	Filling module	Air handling unit
				
Modular gas condensing boiler	Steam boiler (250 kg/h - 30 t/h)	Commercial heat pump water heater	Heat interface unit	Central air conditioning

CUSTOMERS

The Group's customers primarily stem from two networks:

- a professional network of distributors, wholesalers and installers
- a network focused on large-scale distribution channels, such as DIY superstores.


TRENDS AND OUTLOOK

GROUPE ATLANTIC has set itself up for further growth, thanks primarily to the energy and lowcarbon transition, which has a significant impact on products for the building sector. It plans to support this growth with more economical means of production and by developing new products to suit the public's environmental concerns. Its investment plans are set to remain significant in the short term, particularly from an industrial standpoint.


GROUPE ATLANTIC AROUND THE WORLD



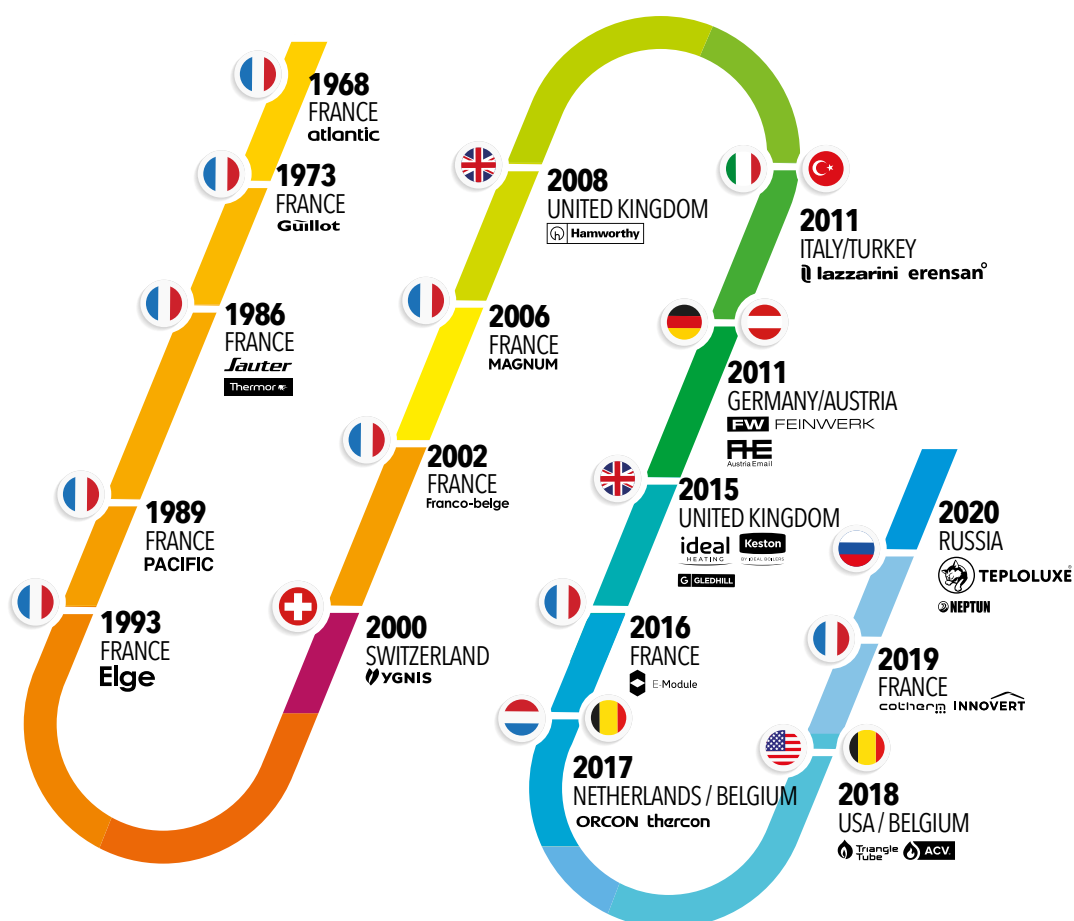

10,000
EMPLOYEES


€2.2 Bn
NET TURNOVER


28
INDUSTRIAL SITES


4%
OF TURNOVER
DEDICATED TO NEW
AND FUTURE SOLUTIONS

GROUP ACQUISITIONS SINCE 1968



EVOLUTION OF THE GROUP SINCE 2004 ORGANIC AND EXTERNAL GROWTH

ORGANIC GROWTH

EGYPT
Cairo site
Electric water heaters
(bathroom radiators extension
in 2013)

UKRAINE
Odessa site
Water heaters and electric
heating

TURKEY
Torbali site
Electric and hot water
bathroom radiators

FRANCE
Fontaine site
Creation of a versatile
production line for electric,
solar and heat pump
water heaters

THAILAND
Rayong site
Electric water heater

FRANCE
Billy-Berclau site
Heat pumps
and boilers

GEORGIA
Koutaissi site
Water heaters

TURKEY
Izmir site
Bathroom radiators

EXTERNAL GROWTH

FRANCE / **Magnum**

UNITED KINGDOM / **Hamworthy**

ITALY / **Lazzarini**
TURKEY / **Erensan**

GERMANY / **Feinwerk**
AUSTRIA / **Austria Email**

UNITED KINGDOM /
Ideal Boilers, Gledhill

FRANCE / **E-Module**
Trappes site
Hydraulic modules

BELGIUM - NETHERLANDS /
Thercon / Orcon

USA / **Triangle Tube**
BELGIQUE / **ACV**

FRANCE / **Innovert et Cotherm**
VIETNAM / **Ipix**
RUSSIA / **Teplolux**

In 2020, GROUPE ATLANTIC did not undertake new external growth. The Group fully acquired GROUPE ATLANTIC Vietnam (formerly IPIX) and increased its stake in the Russian group Teplolux to 90% of its capital.

The Group published its first Extra-Financial Performance Report for the 2019 financial year. It prepared this initial report over the course of 2019 as follows:

- Initial working group involving the Group's legal department and the Sustainable Development department. Initial analyses and drafts of the document.
- Decision to create a working group including the Group's legal department, Sustainable Development department, HR department and communication department.
- Two meetings were held by the working group between October and November 2019 to discuss which areas to cover, choose the challenges with regard to GROUPE ATLANTIC's activities and analyse the risks that may have already been covered elsewhere, in particular by referring to the Sustainable Development Report, which has been published by the Sustainable Development Department for the last five years.
- The challenges to be included in the Extra-Financial Performance Report were presented to the CSR committee and approved by Group General Management in late November 2019.

For the 2020 financial year, the CSR committee proposed that the consolidation scope be widened as much as possible, leading to the inclusion of both Belgium and Spain in the Extra-Financial Performance Report.

All of the required subjects were thoroughly examined during the preselection before the assessment were completed. This was based on:

- The consequences of climate change on the company's activities and the usage of the goods and services it provides,
- Corporate commitments to sustainable development,
- Corporate commitments to the circular economy,
- Societal commitments to fight against food waste,
- Corporate commitments to combatting food waste,
- Respecting animal welfare,
- Collective agreements made within the company and their impact on the company's economic performance as well as on employee working conditions,
- Actions aimed at fighting discrimination and promoting diversity and measures taken with regard to persons with disabilities.

Certain subjects, which were determined to have little significance in view of the characteristics of the company's activities and environment, were dismissed. As a result, the following subjects are not covered in this report:

- Corporate commitments to combatting food waste,
- The fight against food insecurity and promotion of responsible, equitable and sustainable nutrition,
- Respecting animal welfare.

For the 2020 financial year, the data used for each of the major pillars of the present report can be broken down as follows:

	INDICATORS	GEOGRAPHICAL CONSOLIDATION SCOPE	AS A % OF TURNOVER ³ AND A % OF WORKFORCE ⁴
SOCIAL CHALLENGES PILLAR	Monitoring indicator: number of workers with disabilities	France	47,15% 43,98%
	Monitoring indicator: gender equality index	France	
	Rate of staff turnover (KPI)	France	
	Monitoring indicators: cost of training as a % of total payroll costs; % of positions filled internally	France	
	Performance indicators: number of accidents, rate of frequency and rate of severity.	Plants ⁵	62,59% 66,08%
	Monitoring indicator: results of internal survey	All companies worldwide that were part of the Group in 2018	93,76% 84,45%
	Rate of absenteeism	Plants ⁶	61,87% 63,64%
ENVIRONMENTAL CHALLENGES PILLAR	Mode indicator		
	• Number of PEPs	France	47,15% 43,98%
	• overall rate of WEEE collection by the environmental organisation ECOSYSTEM	Commercial member companies	43,63% 11,49%
SOCIETAL CHALLENGES PILLAR		France & UK	67,83% 56,73%

The main French commercial companies are Atlantic Société Française de Développement Thermique, Thermor, Société Industrielle de Chauffage and Atlantic Climatisation & Ventilation. The French industrial companies are Atlantic Industrie, Thermor, Atlantic Climatisation & Ventilation, CICE (two sites), Société Industrielle de Chauffage (2 sites), Guillot Industrie and Ygnis Industrie (2 sites). The main industrial companies outside France, excluding the UK division, are Atlantic ECET (Egypt), GROUPE ATLANTIC Izmir (Turkey), Erensan EIT (Turkey), Atlantic Georgia (Georgia), Ukratlantic (Ukraine) and Burnsen (Belgium). Also taken into account were the services companies (either internal - SCGA, GA SYNERGY, EGIDE - or within the CESC services division), as well as the commercial companies E-MODULE and ACV France.

The main UK Division companies are Ideal Boilers, Gledhill and Hamworthy. On principle, with regard to external growth and bringing new companies into the consolidation scope during the course of the financial year, these are not factored into the consolidation scope for the Extra-Financial Performance Report. With regard to company information, as GROUPE ATLANTIC does not have access to the entire Human Resources Information System (SIRH), this is based on **networks of local contacts** relative to each issue considered. It's also important to specify that each entity has control over **its own resources and actions**.

3 - Turnover refers to net turnover outside the Group as at 31.12.2020

4 - Workforce refers to permanent positions as at 31.12.2020

5 - For details of the industrial sites concerned, cf. page 25

6 - For details of the industrial sites concerned, cf. pages 27 & 28

7 - PEP: Product Environmental Profile

8 - WEEE: Waste electrical and electronic equipment

For the 2020 financial year, the data used for each of the major pillars of the present report can be broken down as follows:



SOCIAL CHALLENGES

EQUAL TREATMENT:

✓ **Accessibility policy** : Group policy implemented on different sites with various levels of engagement depending on awareness and possibility. Monitoring indicator: number of workers with disabilities

✓ **Gender equality**

Monitoring indicator: gender equality index

TALENT RECRUITMENT AND RETENTION:

It can be difficult to find people with the relevant skills in certain business fields (industrial, commercial or support) on the labour market. In this context, GROUPE ATLANTIC is developing practices that make it easier to attract top talent.

✓ Relationships with schools and apprenticeships

✓ Internal training for the purposes of skill development Monitoring indicators: cost of training as a % of total payroll costs; % of positions filled internally

Performance indicator: rate of staff turnover

(with an objective of stability and maintenance of that stability over time).

EMPLOYEE HEALTH & SAFETY AND WORKING CONDITIONS:

Since GROUPE ATLANTIC conducts industrial operations, particular attention is paid to employee safety on these sites in order to minimise occupational accidents.

Performance indicators: number of accidents, rate of frequency and rate of severity.

As part of its qualitative approach to professional employer/employee relationships, GROUPE ATLANTIC is investing in **QUALITY OF LIFE AT WORK**. The areas for reflection and consideration are: well-being, work-life balance and freedom of expression, all with a view to continuously improving the everyday professional lives of its employees.

✓ Monitoring indicator: results of internal survey/Rate of absenteeism



SOCIETAL CHALLENGES

BUSINESS ETHICS:

Anti-corruption and personal data protection charter, given its international scale and presence throughout the world, GROUPE ATLANTIC has established an anticorruption charter (which is applied in addition to the various anti-corruption laws). The digital management of relationships with suppliers and customers also means investing in personal data protection to ensure GDPR compliance.

GROUPE ATLANTIC PURCHASING POLICY:

In order to maintain best practices and to ensure compliance with regulations on sourcing from suppliers, GROUPE ATLANTIC has recognized that the Group purchasing policy should have a framework and be shared by all of the Group's purchasing departments.

RELATIONSHIPS WITH STAKEHOLDERS:

GROUPE ATLANTIC offers products that have a genuine impact on everyone's day to-day lives (products relating to thermal comfort). As such, the Group wishes to build a relationship with its own customers, who are procurement consultants on its products, while also helping to improve people's living conditions through various sponsorship actions.

- ▮ Partnerships and sponsorship (endowment funds, UK actions, etc.)
- ▮ Training for the industry (its customers):
 - Monitoring indicator: Number of customer training sessions

CREATION AND RETENTION OF POSITIONS:

The Group is continuously creating jobs, fulfilling one of the key roles in society that companies play. In ten years, the total number of GROUPE ATLANTIC employees has more than doubled, from 4,200 in 2010 to 10,000 in 2020.



ENVIRONMENTAL CHALLENGES

CONTROL OF THE ENVIRONMENTAL IMPACT OF INDUSTRIAL SITES:

GROUPE ATLANTIC strives to preserve the environment and manage the impact generated by its activities, whether on industrial or tertiary sites. In this respect, compliance with environmental regulations regarding pollution, as well as any action limiting emissions for better management of resources and waste, represent major challenges for the Group, particularly for its industrial sites around the world.

GROUPE ATLANTIC is therefore implementing an environmental management policy based on its environmental report.

SUSTAINABLE OFFERING:

GROUPE ATLANTIC has identified significant challenges relating to the natural energy resources required to operate its products. As a result, it has invested in a multi-energy product strategy in order to strike the best compromise between investment, efficiency, environment and comfort, all while offering consumers the choice of which energy to use.

Faced with the stakes of preserving resources and fighting climate change, GROUPE ATLANTIC is investing heavily in the development of products that use renewable energies; turnover from this activity has increased fourfold in ten years and accounted for 27%* of the Group's overall business in 2020 versus 16% in 2010.

Factoring this challenge into its sustainable development policy, the Group will present this proportion of renewable energy products as one of its criteria for evaluating its performance in the coming years.

In line with environmental regulations, GROUPE ATLANTIC is taking an approach to **MINIMISE THE ENVIRONMENTAL FOOTPRINT** of its products through life cycle analysis.

■ Monitoring indicator: number of PEP sheets and overall WEEE10 collection rate by the environmental organisation ECOSYSTEM

*scope concerned: renewable energies including air conditioning



ENVIRONMENTAL CHALLENGES




GROUPE ATLANTIC has made a commitment to gradually and continuously reduce the climate change potential of the gases used to power the pump products that it sells (heat pumps and air conditioners).

GROUPE ATLANTIC is helping create the consortium (EMAT) comprised of economic players in the building sector, with the goal of establishing a national mechanism for traceability of waste from building demolition and renovation sites. This process is part of GROUPE ATLANTIC's plan to become a member of an upcoming environmental organisation that arranges building waste pick-up and processing in order to avoid uncontrolled disposals.

Before going into detail on each of the challenges covered, it's clear from the analyses of risk and GROUPE ATLANTIC activities that the Group's approach to its social and environmental responsibility is in line with its objectives to respect people (employees, partners and civil society) and the environment.

9 - PEP: Product Environmental Profile

10 - WEEE: Waste electrical and electronic equipment



BEFORE GOING INTO DETAIL ON EACH OF THE CHALLENGES COVERED, it's clear from the analyses of risk and of GROUPE ATLANTIC activities that the Group's approach to its social and environmental responsibility is in line with its objectives to respect people (employees, partners and civil society) and the environment.

4.1 EQUAL TREATMENT

4.1.1 Accessibility policy

In keeping with its strong family values, GROUPE ATLANTIC promotes and encourages many local initiatives from its teams all around the world to address the way we perceive disability.

'Being open to all sorts of profiles is gratifying for a company; collective efficiency results from a range of experiences. It helps recruitment and it's a way for the general public to see our commitment. Within the company, it fosters a sense of belonging and pride in GROUPE ATLANTIC among its employees. Disability concerns us all.'
Arnaud Rollin - HRD GROUPE ATLANTIC.

GROUPE ATLANTIC's policy promoting the inclusion of people with disabilities is based on 3 pillars:

1

Raising employee awareness and combatting misconceptions

- Organisation of hands-on workshops to raise awareness (with emphasis on visual, motor and sensory disabilities) across several French industrial sites, focussing on the subject of safety.
- A Handi-Accueil (Accessibility) management committee was established at the Group's head office in La Roche-sur-Yon. The leading axes of this group pertain to training, raising awareness, recruitment and communication on subjects relating to disabilities and providing as much support as possible to employees in need who are (or aren't) recognised as disabled workers. A Handi-Accueil (Accessibility) charter with AGEFIPH was signed in February 2020, with its duration being extended from the initially planned two-year period to a period of three years due to the global health issues of 2020.

2

Recruiting and promoting the integration of people with disabilities, as well as ensuring job retention

- Sharing information and raising awareness among all employees on specific Group sites, and participation in AGEFIPH workshops: very positive feedback has resulted from these events, along with a programme that should be implemented on other sites.
- As part of their HandiAccueil (Accessibility) policy, and in cooperation with the Disability Confident organisation, our Group presence in the United Kingdom works to improve how the site attracts, recruits and retain disabled employees.

3

Developing partnerships

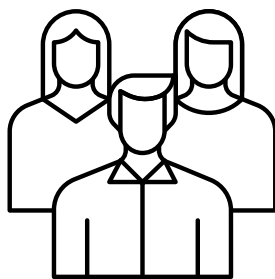
'Becoming a Disability Confident Employer not only helps us to reflect on how to make our workplace more accessible; it also shows our employees that we are committed to promoting equality in the workplace, which is a great way to encourage them to discuss disabilities that are often invisible.' Debbie Skalli HRD GROUPE ATLANTIC UK & ROI.



■ Partnership established between GROUPE ATLANTIC and the Handi Equi'Compet Association: it aims to provide long-term support for initiatives that promote and develop para-equestrian sports in France, and to help member riders to practice their sport in the best possible conditions.

'The idea to establish a partnership with Handi Equi'Compet started with an employee with a disability who is also an equestrian enthusiast,' recalled Arnaud Rollin, Group Human Resources Director. 'The partnership was an opportunity for the Group to raise in-house awareness about the inclusion of disabled persons and to show an example of excellence and disability combined. The Group has a lot to gain.'

NUMBER OF EMPLOYEES WITH DISABILITIES



IN 2020¹¹, IN ITS
COMPANIES IN FRANCE

116

FULL-TIME EQUIVALENT
DISABLED WORKERS

4.1.2 Gender equality



GROUPE ATLANTIC's policy relies on legal compliance requirements in order to ensure that no form of discrimination exists within the company. The Group's challenge is to achieve true gender equality at work, particularly by combatting everyday workplace sexism and ensuring equal pay for equal work, gender parity in management and diversity within the business fields.

In 2020, women accounted for 34% of the GROUPE ATLANTIC workforce in France. This is higher than the national average published by the National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques [INSEE]) for the manufacturing industry (28%).

As part of its agreements regarding professional equality in France, and in accordance with its fundamental principles, GROUPE ATLANTIC works to foster equality in the professional world every day. In other countries where the Group operates, local initiatives exist to promote access to technical business fields for women and to break down barriers and prejudice.

The Hull site in the United Kingdom participated in the WIME (Women into Manufacturing and Engineering) event to present and promote job opportunities in the manufacturing and engineering industries to women in the region. In 2020, we participated in the very first 'Virtual Zoom Event'.

11 - Owing to the lack of available data at present, we are unable to provide data for the 2020 financial year.

Gender equality index¹²

This index only applies to GROUPE ATLANTIC's French companies.

In 2020, GROUPE ATLANTIC obtained the following scores:

- For the company ACTA Industrie (Meyzieu): 78/100
- For the company Atlantic Industrie (La Roche sur Yon): 73/100
- For the company GA Synergy (La Roche sur Yon): 83/100
- For the company SCGA (Bourg la Reine): 76/100
- For the company SIC (Merville and Billy Berclau): 79/100
- For the company CICE (Saint-Louis): 75/100
- For the company Thermor (St Jean de la Ruelle): 85/100
- For the company Guillot Industrie (Pont de Vaux): 84/100

For the companies CESC and Ygnis Industrie, their respective indices for 2020 cannot be calculated.

4.2 TALENT RECRUITMENT AND RETENTION

4.2.1 Relationships with schools and Apprenticeships



In order to support its development, the Group aims to increase its appeal to students. This will make it easier to recruit interns and work-study participants (sourcing) and, in the long term, to develop partnerships and the employer brand in order to favour future recruitment.

In the United Kingdom, the UK Division recruited 18 new engineering apprentices over the course of 2020. They will complete four years of theoretical and hands-on training on one of our sites and in a classroom.

We are also a major partner of **Ron Dearing UTC**, which offers a unique approach to education for 14- to 18-year-olds (Supervised apprenticeship with antechology).

Another of our partnerships is with St Mary's College, where we form part of their network of company advisors.

In France, a variety of initiatives are implemented each year:

- **Partnership events involving 20 schools:** 11 student visits to our plants, 6 supervised projects, 13 forums and trade shows (11 of which were virtual), 12 meetings with school Professional Connections departments, 7 conferences with students on the GROUPE ATLANTIC business fields.
- **The '1 day/1 internship' programme** is a multi-day (two in person and four virtual) initiative for choosing future interns for the Group's various sites. This day offers the students selected a tangible opportunity to learn about the business fields and available internships (testimonials from former interns, meetings with managers) and provides creative workshops for designing the products of the future.
- Our **Young Graduates programme** welcomes 40 young engineering graduates at various Group sites (in France and abroad) each year, creating a talent

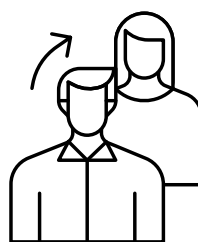
¹² - The index out of 100 points is calculated using the five Government-approved indicators. These five indicators and their respective weightings are as follows:

- the wage gap (40%),
- the gap in the awarding of salary increases (20%),
- the gap in the awarding of promotions (15%),
- the percentage of employees who get salary increases upon return from maternity leave (15%),
- the number of women and men in the ten highest-paid positions (10%).

pool that can evolve within the Group. This three-year scheme gives them a chance to become part of the Group and reap the benefits of a special support programme.

- **'Business field ambassador'** employees act as the link between managers and students from the Group's partner colleges, to lead meetings (in the form of firsthand accounts and participation on School forums) and projects.
- **Sponsorship action** (windsurfing races) helps strengthen partnerships with schools and increase Atlantic's brand recognition among students. The Group also participates in the Coupe de France de Robotique robotics competition.
- In 2020, the Group won the **'ChooseMyCompany.com'** award for the 5th time for management excellence and the high motivation of interns and work-study participants. The overall grade is 4.18/5, with a recommendation rate of 92.5%.
Number of part-time interns in France in 2020: 213 (+33% from 2019 - 103 part-time interns recruited in 2020).

- In Georgia, the Koutaissi site has been involved in partnerships with two universities, **Koutaissi State Polytechnic University and Tbilissi Free University**, for the last three years. Both of these partnerships have provided opportunities for multiple meet-ups with students, visits to plants and development projects.
- In Turkey, the Izmir site signed an agreement with the university **Dokuz Eylül Üniversitesi (Mechanical department)** and another with **d'Izmir Yüksek Teknoloji University**.
- ERENSAN works jointly with **Istanbul technical university** organising meetings with the students.



IN 2020,
OVERALL TURNOVER
WAS:

5,7%
IN FRANCE

4.2.2 Diversity

As part of its recruitment policy, GROUPE ATLANTIC particularly focuses on integrating people from diverse backgrounds and promoting awareness of the group's businesses and its field of activity by building on its local roots and engaging its employees. A partnership with Nos Quartiers ont du Talent [Our Neighbourhoods Got Talent] (NQT) has been launched for the Group (within France). This partnership makes it possible, for example, to:

- offer employees the opportunity to mentor a young person,
- organise local events to introduce people to the Group's business fields,
- and connect disadvantaged young people with recruitment managers within the Group.

The circumstances surrounding the 2020 health crisis did not allow for this partnership to come to life through action, but it was renewed for an additional year.

4.2.3 Employer Brand

The primary focuses of GROUPE ATLANTIC's HR policy are both internal - developing employee pride in belonging to the company - and external - enhancing the Group's reputation in order to attract new talent. To expand our audience in the world of social media, 2020 saw us taking several new steps:

- Creating a network of contacts for all Group entities to share about life on site. These events are then posted for our entire community, who can then broadcast them more widely.
- Setting up a committee of moderators to respond to comments made on company review websites

In 2020, the number of followers on our **LinkedIn page increased by 49%, that of our Facebook page by 260% and that of our Twitter by 7%** when compared to 2019. **In 2020, for the 12th time, the Group was named Top Employer in France.**



4.2.4 Internal training and skills development

HR policy aims to build the skills of each individual in order to enhance efficiency and build on skills. The goal, as with Group customers, is to develop a lasting relationship with its employees, providing them with support throughout their professional careers.

Numerous actions reflect this commitment:

- GROUPE ATLANTIC owns training centres, a testament to its policy of capitalising on and sharing its product expertise. During the lockdown period, all digital training modules for Group products were rolled out and made available both internally and externally. As a result, internal training activity has increased significantly compared to 2019, with +28% and 1,634 trainees.
- Upon welcoming new arrivals to the sites in La Roche sur-Yon, Billy-Berclau and Orléans, they are offered an orientation process in the Group's very own workshops (Form'Atlantic). This responsive internal training system serves to train new employees and temporary staff in the Group's manufacturing business fields.

- The 'Pépinière Managers' training course (34th session) offers managerial skills training in line with our corporate culture. It is available to both French and English-speaking Group managers.
- The 'Managers, Drivers of Group Innovation' programme (4th session) helps experienced managers to build on their managerial expertise and interpersonal skills.
- The 'Expertise' programme, offered in French and English (4th session), is available to employees who demonstrate potential. The goals of this course are to promote and enhance the Expertise programme, leverage knowledge transmission and facilitate personal development for every expert within their area of expertise.
- The 'Design Thinking' programme was launched in 2020. This programme makes it possible to develop skills regarding innovative practices that focus on end-customer needs. At the end of this 7-day programme, trainees will be able to prepare, facilitate and reproduce a Design Thinking workshop and apply Design Thinking principles within their professional context.

INTERNAL TRAINING

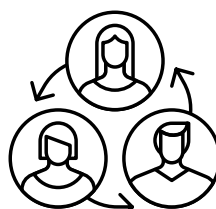


IN 2020, PROFESSIONAL TRAINING ACCOUNTED FOR

3,14%

OF THE GROUP'S PAYROLL IN FRANCE. DESPITE THE HEALTH CRISIS AND THE LOCKDOWN PERIOD, EMPLOYEES CONTINUED TO BUILD THEIR SKILLS

INTERNAL MOBILITY



IN 2020,

33%

THE PERCENTAGE OF JOB POSITIONS (EXCLUDING WORKER POSITIONS) FILLED INTERNALLY IN FRANCE¹⁴

14 - Excluding EGIDE, ACV France, E-Module and CothermFrance

4.3 HEALTH & SAFETY AND WORKING CONDITIONS

The year 2020 was marked by the COVID-19 health crisis and the two lockdown periods. To help our employees return to work in complete safety, each site has put together **a prevention guide** providing for the implementation of adequate sanitary measures (physical distancing, hand washing, mask-wearing, traffic flow guidance, etc.).

From the very first few days of lockdown, GROUPE ATLANTIC started circulating **a questionnaire entitled 'Let's stay in touch'**. It was sent to most employees in France and those in the International Division who have a professional email address. Its goal: to assess employee morale and enable HR teams to contact those who express that they are encountering difficulties. An average of 1,300 people answered every day, and morale was good overall (8.8/10 on average).

In the midst of this unprecedented context posed by the health crisis in 2020, GROUPE ATLANTIC set up **an individualised helpline** (via phone/Skype/ Teams) to address issues of concern for employees within the framework of their professional activity or their personal situation. This measure was implemented by internal Group consultants, trained psychologists and support professionals using the following principles: voluntary service, confidentiality, neutrality and compassion.

GROUPE ATLANTIC believes that the health & safety and working conditions of its employees are paramount to its development. Therefore, it has introduced Group policy to implement all measures aimed at reducing the number of work accidents across all its sites. Safety is the most important of the WeGA (Ways to Excellence at GROUPE ATLANTIC) pillars.



In spring 2020, the Safety Club, which brought together safety managers from across all of the industrial sites, established ten road maps:

- Machinery risk
- Fire risk
- Risk relating to the involvement of external companies
- Electric risk
- Road risk
- Safety culture
- Chemical risk
- Risk relating to physical activity
- Risk when working at height
- Risk related to workflow and traffic

Each road map has made it possible to define actions for:

- Analysing accident risk
- Protecting people
- Training
- Making processes formal and ensuring compliance

During the summer of 2020, each industrial site had the chance to evaluate itself on each of the actions defined. The Safety Club, which combines safety managers from across all of the industrial sites, is now responsible for overseeing the implementation of these ten road maps and providing support for the sites. They have also begun defining standards and devising general training programmes.

At the same time, the Safety Club, the body responsible for regular direct exchanges among the various players in charge of on-site workplace safety, publishes a safety news flash on workplace accidents each month. It also reports on key highlights and best practices.

Several actions illustrate the attention paid to health & safety and working conditions:

- Various actions have been undertaken for employees: physiotherapy, vaccination campaigns, on-site blood donation, shuttle bus, health reports, and more.
- Actions to improve and support the implementation of safety procedures have been launched. The Group aims to ensure that each site guarantees a minimum

level of safety in key risk areas and benefits from support tools for improvement so as to achieve even higher levels. The goal is for each site to make progress in terms of these different risk areas

More specifically, here are a few examples of initiatives across Group sites which illustrate this approach:

▮ **Daily health services:** a nurse is present on site to manage employee health needs (regular care, vaccinations, medical appointments, nurse appointments, additional testing, hearing tests, etc.) and to raise awareness of the risks of workplace accidents (at La Roche-sur-Yon, Merville, Orléans and Saint-Louis). At the Saint-Louis site, medical analyses were performed directly on site.

▮ **Organisation of a Nurse Club (created in 2016):** biannual meetings promoting the sharing of experience and best practices in the field. Establishment of a health prevention programme and harmonisation of documents and practices. The goal of this club is for all participants to be workplace first aid trainers (La Roche-sur-Yon and Orléans sites)

▮ **Prevent MSD (Musculoskeletal Disorders):**

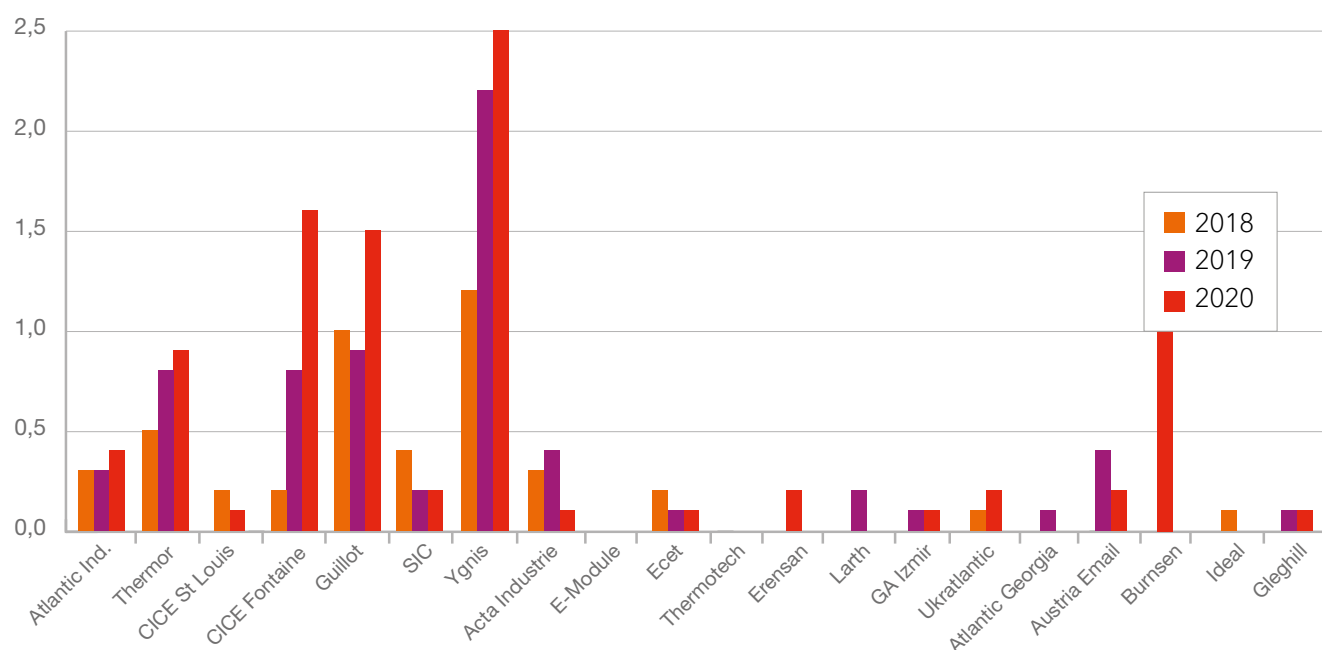
- Gradual roll-out of warm-up exercise sessions before work and stretching after work (La Roche-sur-Yon and Orléans sites)
- A Posture and Motion training programme for all site employees in 2018/2019 (Orléans site)
- 60% of operators in manufacturing are trained in warm-up exercises (Cauroir site).
- Recruitment of two ergonomics specialists, one for each site in La Roche sur Yon and Merville-Billy Berclau, to rate the positions and improve those with the lowest scores

▮ **Provide employees with everyday health advice:** distribution of a bi-monthly 'CAPITAL SANTÉ' flyer with information about public health topics, such as sleep, nutrition, extreme heat and warnings about carbon monoxide poisoning (Orléans site).

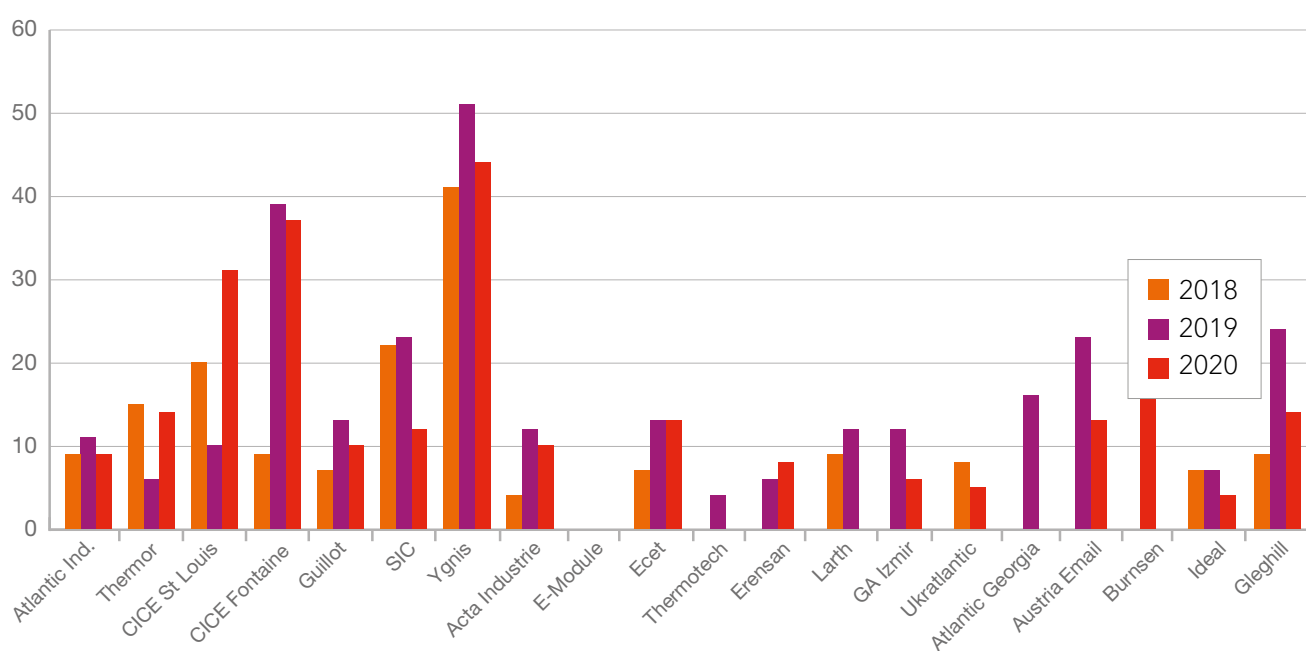
Number of workplace accidents

For the year 2020, in the Group's plants worldwide:
237 people injured (versus 254 in 2019).

RATE OF SEVERITY



RATE OF FREQUENCY



4.4 QUALITY OF LIFE AT WORK

The HR policy aims to attract and retain employees while offering them a secure and motivating professional setting, conducive to their personal fulfilment at work.

4.4.1 Improving workplace well-being

Many local steps have been taken, each tailored to suit the site's needs and specific context

- Implementation of remote working charters
- Workplace concierge services
- Access to nursery services
- Donation of leave time
- On-site presence of a social assistant
- Showers and cloakrooms for athletic activities
- Fruit baskets provided to raise awareness about healthy eating habits

Since September 2020, the Group's Services Division has implemented a Quality of Life at Work metric to evaluate the level of satisfaction of the Division's 350 employees.

This metric consists of 24 items broken down into six themes:

- Missions
- Organisation
- Workplace environment
- Working relationships
- Relationships with direct managers
- Quality of Life at Work in general

The Services Division has earned a satisfaction rating of 80% for Quality of Life at Work. Spring 2021 is the planned date for a second survey.

The **'Open Space' working group**, comprised of support service employees based on the La Rochesur-Yon site, has created a 'Living Well Together' charter to collect best practices. A **Health & Safety Committee** was also created. It brings together employees from different departments to inform and raise awareness among employees about health and safety topics through communication and training activities, among other methods.

4.4.2 Employee satisfaction at work

To take on the challenges of quality of life at work, GROUPE ATLANTIC evaluates this through a satisfaction survey of their employees both in France and abroad. This survey is administered by an external organisation (OBEA), ensuring the anonymity of the responses and the validity of the results obtained.

It is conducted every 4 years, with subsequent action plans according to results. The next satisfaction survey will take place in 2022.

For the survey conducted in 2018, participation was high: 84% of employees responded.

Examples of identified progress areas:

- Level of information within the Group supported by the in-house newsletter CLIMATIC
- Employee motivation: roll-out of evaluation and development reviews and simplified procedures linked to internal mobility
- Simplifying the management of training programmes: an IT tool for greater visibility
- Mapping of skills from certain businesses to foster internal mobility,



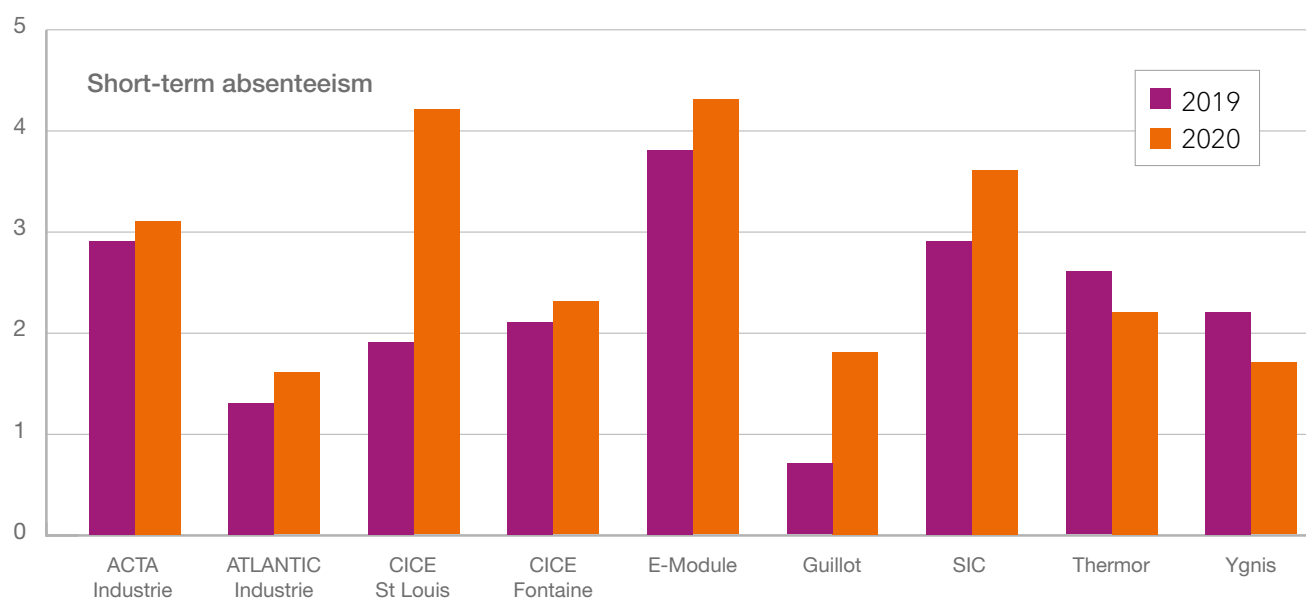
INTERNAL EMPLOYEE SATISFACTION SURVEY RESULTS



WORKER ABSENTEEISM

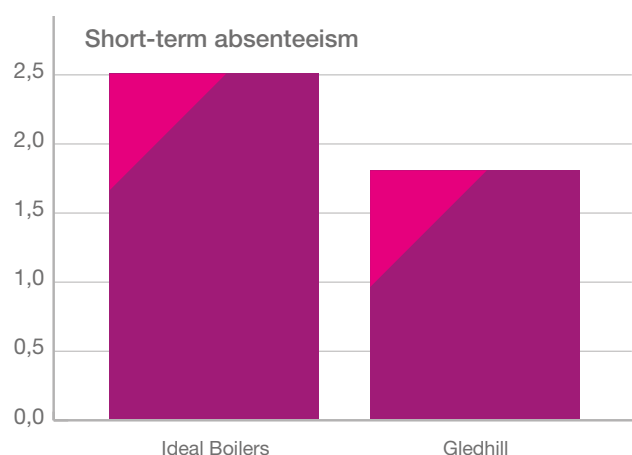
France

Number of hours of absence per 100 working hours, total over a 12-month rolling period



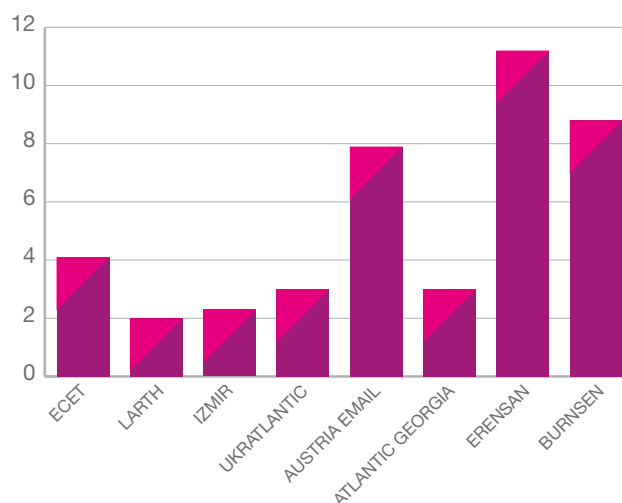
UK Division

Number of days of absence due to illness compared with the number of days worked.



International (excluding UK Division)

Number of hours of absence per 100 working hours, total over a 12-month rolling period



4.4.2 Collaborative work

In its quest for continuous improvement, GROUPE ATLANTIC aims to get all of its employees involved in the 'innovation' approach. This enables each individual to contribute, according to their business field and in their own way to the improvement of products, processes and customer satisfaction within the Group.

Collaborative actions include, for example:

- On our sites, the **GAPs** bring teams together around projects for improving safety, quality and productivity in the workplace.
- The **role of GAP leaders** is now validated by a professional qualification, the Certificate of Parity Qualification in Metallurgy (CPQM), 'Leader of Independent Manufacturing Team', recognised at a national level.
- All Innovators Policy:** enables all team members on sites to suggest and develop their own innovative ideas. The concept is simple: *'All of us, as Group employees, can bring ideas to the table.'*
- Some Group sites, particularly the industrial ones, have already created FAB LABs, designated spaces for employees to develop prototypes and model solutions. For example:



- The Group's support services in La Roche-Sur-Yon have created a new space for sharing and exchanging best practices. This is the FAB LAB, known as 'Le Cré'Yon'. The purpose of this area is to encourage employee creativity by providing tools and leading workshops, all in an environment that fosters innovation.
- The Meyzieu site started using the LAB Services to encourage ideas for new services. For example, creating an internal application for services or creating videos for customers. Also planned: meeting teams from service departments in other companies in the region.
- The **'Managers, Drivers of Group Innovation' programme** helps experienced managers to build on their collaborative management expertise and interpersonal skills.

4.5 SOCIAL DIALOGUE

GROUPE ATLANTIC's policy is to maintain a constructive, regular social dialogue based on mutual trust.

To facilitate local social dialogue, the Group made it a priority to establish local representative bodies for staff. As a result, in France¹⁵, 182 appointed team employees are in regular dialogue with the respective site management teams, and 19 agreements were signed in 2020.



15 - Excluding Cotherm

5.1 BUSINESS ETHICS

Given the international environment in which the Group operates, and in application of provisions governing matters relating to the fight against corruption and money-laundering, and recent legislation on personal data protection, the company has undertaken a number of new approaches to implement the associated principles in these matters. Combatting corruption and protecting personal data will be discussed in this section.

5.1.1 Anti-corruption charter

Implementation of the Group's Anti-Corruption Charter in France and abroad. The aim of this Charter is to acquaint employees with situations that could be considered as corruption and remind them of the behaviour to adopt in such situations. This Charter applies to all Group managers and employees.

5.1.2 Personal data protection

Since the General Data Protection Regulation (GDPR) came into force, GROUPE ATLANTIC has a fairly complete overview of the personal data used within its departments and subsidiaries. Internal awareness is progressing in accordance with information updates, and two charters have been drafted and rolled out :

- the general policy on data protection, which concerns customers and is published on the Group's websites,
- the policy applicable to Group employees, which is gradually being incorporated in internal rules.

The Group has added a data protection officer (DPO) to its IT team.

Over the course of 2020, it also succeeded in:

- distributing GDPR content to a wider audience involved in processing personal data, such as Marketing, R&D and HR positions, in the context of an evaluation and awareness programme in order to develop a good working knowledge of the regulations



- monitoring and securing access to data provided to the Group's maintenance partners and that is accessible from connected devices, with a view to developing the range of services offered.

In response to the increasing threat of cyberattacks, new projects were launched in late 2020 to implement additional firewalls as well as oversight of activity on our IT networks through an external cybersecurity centre.

5.2 PURCHASING POLICY



The Group initiated a responsible Group purchasing policy several years ago. The main lines of this policy are based on the following:

- **Involvement of the Purchasing Department:** managing supplier risks, compliance with regulatory requirements and innovation;
- **Demanding referencing process** for all components and raw material suppliers in and outside Europe (regular visits during approval phases). Buyers are mindful of the working conditions and production conditions relating to the environment observed on site at each inspection, as these could lead to the supplier being delisted if contract terms are not respected.
- **Including working condition clauses in purchase contracts** and compliance with current regulations;
- **Research and innovation with supplier partners:** development of projects for innovative products in partnership with suppliers;

✓ **Purchasing best practices:** rules and recommendations for operational and decision-making methods imposed on all Group buyers. Corporate social responsibility themes are considered in the best practices guide (ethics, working conditions, environment, respect for suppliers, etc.)

✓ **Gradual roll-out of a safety audit form to suppliers**

5.3 RELATIONSHIPS WITH STAKEHOLDERS

5.3.1 Sponsorship and partnerships

GROUPE ATLANTIC aims to be involved in the life of the society surrounding it, whether through charity or partnerships.

This involvement is organised into two areas:

- Contributions within the framework of the Group's endowment fund or through local actions within the region,
- Involvement in research and development programmes, as well as in the implementation of sustainable development projects.



GROUPE ATLANTIC created an endowment fund to combat fuel poverty as a result, launched in 2019. The primary goal of this fund is to accentuate the Group's efforts to encourage integration, and particularly to promote access to acceptable living conditions for those experiencing hardship. The purpose of the fund is particularly to take action that can:

- a. Provide air and water heating systems to those in need
- b. Contribute to reducing energy bills for people experiencing economic hardship
- c. Promote education in the field of climate engineering in order to contribute to integrating/reintegrating unemployed people into the workforce

In 2020, GROUPE ATLANTIC formed partnerships with multiple community service associations, such as

Habitat et Humanisme, Emmaüs and Les Compagnons Bâisseurs, leading to the following actions, among others:

- Provision of heating and sanitary hot water products to home renovations for farmers living in fuel poverty in the Rhône Alpes Auvergne region, via a collaboration with Les Compagnons Bâisseurs Rhône Alpes,
- Provision of heating products for the creation of an intergenerational home in Royan by Habitat et Humanisme,
- Provision of boilers and water heaters to the renovation of an Emmaüs companion home in the Nord department, and the creation of an online fund for Emmaüs's one-off public appeal.

In addition, the Group participated in the following local actions:

- ✓ **MACMILLAN Support Cancer** is the UK&ROI Division's official charity fund: the three industrial site and the 6 brands have organised several fund raising events to involve the largest number of employees, family members and friends, such as pedestrian activities, running events, soccer championships, etc.
- ✓ **School sponsorships** through cooperation with the Sailing Academy: participation in the CCE (EDHEC Sailing Cup): 9th time participating in 2020. Sponsorship of two schools and of an all-student team. Given the unstable health situation of 2020, regattas could not be held as usual in April, but the teams were still able to train. The big event was held in October 2020.
- ✓ **Participation and sponsorship of the Coupe de France Robotique 2020**, which took place in late October without any spectators and was streamed online because of the health conditions.
- ✓ **Participation in a charitable effort in Spain** by ATLANTIC España, providing duvets and blankets to people experiencing homelessness.

As part of the second line of its policy, the Group has taken or is taking part in the following projects:

- **Involvement in sustainable development projects:**
COMEPOS project, in conjunction with the ADEME: optimised design and construction of 25 positive energy homes since 2013 as part of the Non-Carbon-Emitting Energies for Future Investments programme, coordinated by the CEA (French Atomic Energy and Alternative Energies Commission) and its building research group INES (French National Institute for Solar Energy)

- **Participation in research and development groups:**

The S2E2 competitiveness division focuses on smart electricity technologies, supporting energy management in the Centre-Loire Valley, Limousin and the Pays de la Loire regions in France. The S2E2 division's head offices are in Tours, with offices in Orléans and La Roche-sur-Yon, as well

5.3.2 Training for the industry

The Group places great importance in the products designed, manufactured and marketed being practicable for customer use; in other words, they are able to recommend, distribute and install them. In this context, with the help of its training centres, the Group offers training to installers and partners. To date, the Group has 8 training centres internationally and 9 training centres throughout France.

In particular, this training covers:



- Technical training modules for installation, mounting, start-up, optimisation, maintenance and repair of all its products and systems.
- Training modules to help customers in techniques of selling to the general public.
- Regulatory and certification training: QUALIPAC (heat pumps and heat pump water heater modules), QUALIBOIS, refrigerant fluid handling, electrical certification, brazing, regulations, ErP, certification training to obtain an RGE certification (QualiPac, QualiPac module CET and QualiBois).

RGE

- Campus Atlantic: an online training platform that aims to provide training programmes that meet new needs.

In addition to these internal training programmes, to improve knowledge of their products and the rules for different types of visits, the Group offers:

- Customer visits to the Group's industrial sites,
- Site visits hosted by Group teams and discussions with installers,
- Customer visits to the Group's Research Centre for Thermal Comfort (Centre de Recherche pour le Confort Thermique [CRCT]).

For installers, the Group also offers tools to facilitate its product sales, such as:

- Platform for internet support, tablet application, spare parts service, product sizing assistance, etc.
- Educational packaging, summarising the rules and best practices for placement and advice on selecting and installing the equipment (individual ventilation).

NUMBER OF CUSTOMER TRAINING SESSIONS

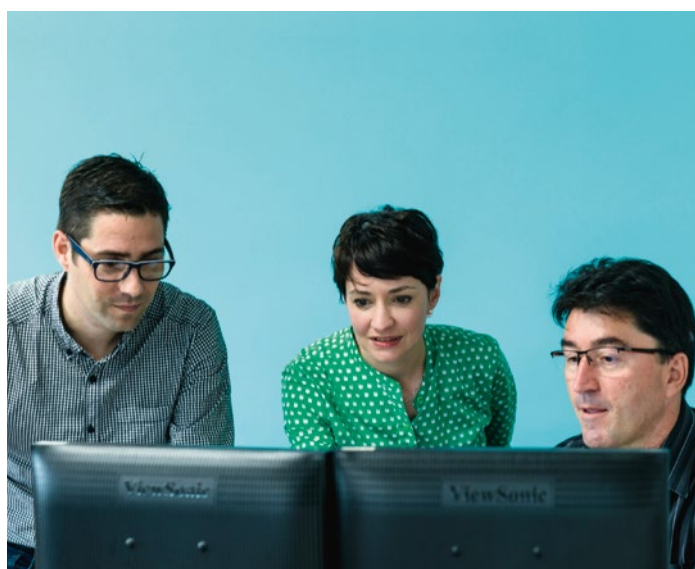


IN 2020, IN FRANCE,
TRAINING CENTRES
WELCOMED

4 707

EXTERNAL TRAINEES,

Despite the health crisis leading to the training centres closing for two and a half months during the lockdown periods, the number of trainees only fell by 3%, thanks to the implementation of digital modules as well as high demand for skills training (QualiPAC and coolant fluids).



6.1 GROUPE ATLANTIC'S ENVIRONMENTAL STATEMENT

The sustainable development strategy officially launched in 2009 with its first founding element, the Group's Environmental Statement, which summarises the guiding principles of this policy.

The Group undertakes to:

1/ Conduct constant research to further its product offering in terms of comfort, safety and energy performance with a specific focus on solutions using renewable energies.

- Innovate by combining the various types of energies to minimise greenhouse gas emissions and energy consumption
- Anticipate regulations concerning the thermal performance of buildings
- Refrain from using hazardous substances in appliances
- Constantly research ways to improve product performance in real life environments in its Thermal Comfort Research Centre and in its laboratories.

2/ Provide customers and expert partners with advice and training, in particular to promote environmental safety when installing and using Group equipment.

- Our product training offers (advice, installation and maintenance) provided in Group training centres throughout mainland France
- Provide installers and users with documentation that is suited to their needs by favouring the use of electronic formats

3/ Develop Responsible Purchasing that integrates sustainable development factors

- Deploy a Group purchasing policy built around sustainable development criteria
- Include environmental and social clauses in supplier purchase agreements
- Include environmental and social criteria in the supplier audit framework

4/ Reduce energy consumption and greenhouse gases produced by Group business activities.

- Conduct environmental diagnoses and carbon footprint analysis on the Group's industrial sites
- Minimise the energy consumed by production processes
- Develop intra-group video-conferencing to reduce travel

5/ Protect water resources by reducing water consumption and improving discharge quality.

- Continuously aim to promote production techniques that reduce water consumption
- Optimise the quality of production-related waste water

6/ Control waste generated by Group business activities.

- Sort and recover production waste for each type of material
- The ECOSYSTEM organisation in mainland France collects and recovers end-of-life Waste Electrical and Electronic Equipment (WEEE)

7/ Increase the use of recyclable packaging.

- Consider environmental impacts of material and design when selecting packaging.

6.2 CONTROLLING THE ENVIRONMENTAL IMPACT OF INDUSTRIAL SITES

As an industrial entity, the Group has plants of various sizes with varying impacts on the ecosystem and the economic fabric of the areas where they operate, particularly depending on geographical location. Having identified the environmental aspects linked to its industrial activity as a major issue, the Group has adopted an environmental management approach.

6.2.1 Environmental management system

GROUPE ATLANTIC is committed to an environmental protection and high-quality approach across all of its industrial sites. It applies standard ISO 14001. The choice between certification and self-reporting is left for the sites to make. Group industrial sites comply with regulations set by the countries in which they are located. In France, 9 out of 11 sites are regulated by the Classified Installation for Environmental Protection scheme and are registered or authorised to operate by the local authorities in the relevant department. Sites are also given support for regulatory monitoring and compliance by an environmental coordinator with a transversal approach throughout the Group.

Here are the actions currently in progress across the environmental network:



- ✓ **Environment Club:** its purpose is to bring together environment managers from industrial sites on a regular basis, to improve Group operations and discuss ongoing projects on each site. The midterm goal is to apply the approach to sites outside of France.
- ✓ **Roll-out phase of environmental analyses** of sites on industrial sites

All sites employ management staff to properly address environment issues: regulatory monitoring, initial environmental reviews, targets, action plans. They may take action on the following topics in particular:

- ✓ Sustainable use of resources
- ✓ Pollution and waste management

6.2.2 Sustainable use of resources



Here are some examples of actions taken:

- ✓ **Monitoring energy and water consumption:** monitoring and analysis performed several times a year at most sites with definite action plans regarding major consumption areas
- ✓ Sites strive to use a **closed-circuit water system** for Group processes to limit consumption.
- ✓ **Conducting GHG reporting and regulatory energy audits** on some industrial sites.

- ✓ **Modernisation policies for production lines** incorporating energy savings, environmental protection and product eco-design constraints.
- ✓ Gradual replacement of the petrol engines by electric ones in our handling forklifts

6.2.3 Pollution and waste management

Here are some examples of actions taken:

- ✓ **Noise measurements and monitoring of water and air pollution:** identifying areas for improvement in terms of reducing environmental impacts and improving working conditions;
- ✓ **Waste management:** procedures are set up at the sites, and include, at the very least, the sorting of hazardous and non-hazardous waste. For most of these sites, sorting waste at the source is ensured through computerised monitoring of traceability (volume, business, waste collecting company, etc.);
- ✓ **Business travel** is being reduced as a result of the roll-out of specific architecture for videoconferencing.

6.3 SUSTAINABLE OFFERING

6.3.1 Taking our products' environmental footprint into account

6.3.1.1 Compliance with regulations

Group products comply with environmental regulations. Across industrial sites, the different departments keep up to date and comply with regulations and, as required, ensure product compliance.

GROUPE ATLANTIC is authorised to import products filled with a coolant fluid into the European Union, in accordance with the F-gaz regulation requirements, and declares the quantities of greenhouse gases (HFCs) placed on the market with both the European and French authorities (ADEME).

The Group purchasing department systematically confers with suppliers regarding REACH, ROHS and nanoparticle regulations. The consultation campaign aims to ensure compliance and identify items that may contain hazardous substances for consumers.



Photo credit: ecosystem, François Daburon

6.3.1.2 Environmental product approach

Markets, equipment and regulations encourage manufacturers to offer more environmentally friendly products. To meet these standards in a reliable manner, GROUPE ATLANTIC structures its Environmental Products Approach around environmental statements for a better understanding of the impact of Group products on the environment and to take efficient, targeted action as part of the environmental approach to new product development.

At present, the Group has prepared and developed environmental statements on the approach to product life cycle analysis.

These statements are made in accordance with the rules of the PEP ecopassport programme, and the Group has been a member of the programme since 2011. Here are the details of this approach:



PEP ecopassport® sheets (Product Environmental Profile):

- Products concerned: all product ranges (roll-out according to schedule)
- Identification of the environmental impacts of Group products during the 5 stages of their life cycle: manufacturing, distribution, installation, use, end-of-life (compliance with ISO 14025:2010, ISO

14040:2006 and ISO 14044:2006 standards)

- Use of EIME (Environmental Improvement Made Easy) software, Life Cycle Assessment (LCA) and eco-design (developed by Bureau Veritas CODDE)
- The drafting process for ecopassport® PEPs is identical at all Group production centres in France.

‘Number of PEP sheets’ monitoring indicator: In 2020, the Group had 71 valid PEP sheets registered on the PEP ecopassport database: <http://register.pep-ecopassport.org/>

The concomitance of the factors listed below has led to GROUPE ATLANTIC temporarily suspending the creation and/or renewal of its PEP sheets:

- Review of the common calculation reference bases (PCR) that have not been finalised
- Uncertainty surrounding the valuation and impact of PEP sheets in future French thermal and environmental regulations (RE 2020)
- Inconsistencies between PEP sheet results and those of the default data (DED) published by the French administration within the context of future French thermal and environmental regulation (RE 2020).

To take the environmental approach to products even further, constant research is conducted to reduce the, impact of Group products. Here are the key points of, the eco-design approach:

- Products evolve but any environmental impact generated during the various phases of their life cycle is reduced. New products are affected by the roll-out of eco-design across the Research and Development departments
- Evaluation of the recyclability rate of Group products via a calculation tool made available by the environmental organisation ECOSYSTEM
- Gradual replacement of refrigerant fluids with the strongest impact on global warming. For example:
 - Heat pump water heater range: switch to R513A (GWP of 631) from R134a (GWP of 1430)
 - Heat pump and air conditioning ranges: switch to R32 (GWP of 675) from R410A (GWP of 2100)

Consequently, the quantity of greenhouse gases (HFCs expressed in tonnes of CO₂ equivalent) imported into the European market by GROUPE ATLANTIC fell by 18% between 2020 and 2019 while, at the same time, sales of products using these gases increased by 10% (heat pump heating systems and air conditioners).

Other internal tools are being developed in the search for improved performance from Group products:



GROUPE ATLANTIC laboratories:

GROUPE ATLANTIC has made considerable investments to develop a strong network of laboratories on its industrial sites, with testing methods and shared standards. Today, the Group owns 22 laboratories (11 in France and 11 abroad). These laboratories act as a tool for optimising Group product design.

Research Centre for Thermal Comfort (CRCT):



Consisting of two twin laboratories (Castor and Pollux), this Centre is situated in Orléans in France. Thermal comfort solutions are tested in real conditions in these two labs which are identical in all respects (same building structure, same furniture, same exposure to weather conditions). Each lab is equipped with modular systems for heating, sanitary hot water and air conditioning. The CRCT relies on tangible data to determine the best combinations for appliances in terms of energy consumption and CO₂ emissions, ensuring relevant technological choices as a result.

6.3.1.3 Extended Producer Liability

The waste framework directive 2008/98/EC of the European Parliament and the European Council dated 19 November 2008 reminds manufacturers of their responsibility to ensure the waste management of end-of-life products. In France, the principle of extended producer liability (EPL) has existed in law since 1975 and is codified in Article L. 541-10 of the Environmental Code: 'Producers, importers and distributors of these products or of components and materials involved in their manufacture may be required to provide for or contribute to the removal of the waste which results.'

As part of this framework, the Group has joined eco-organisations with the aim of contributing towards end-of-life processes for equipment, its packaging and any paper medium.

END-OF-LIFE FOR PACKAGING:

GROUPE ATLANTIC is a member of CITEO – Eco-Emballages, an environmental organisation responsible for managing the national scheme for packaging sorting and recycling.

END-OF-LIFE FOR APPLIANCES:



GROUPE ATLANTIC is a founding member of ECOSYSTEM, an environmental organisation that manages the collection and processing of electrical and electronic equipment waste in France (WEEE).

The contribution accounts for the estimated tonnage of WEEE household waste (appliances and lamps) collected, thanks to environmental contributions paid to ECOSYSTEM by GROUPE ATLANTIC.

In 2019, ECOSYSTEM collected and processed 1,403,164 end-of-life electrical appliances for GROUPE ATLANTIC. Products sold outside of France are handled by Group subsidiaries, who work with local environmental organisations.

'Theoretical WEEE collection rate' monitoring indicator: In France in 2019, the theoretical WEEE collection rate by comparison with the contribution of GROUPE ATLANTIC is 49.7%.¹⁶

At the same time, and in order to prepare for the Extended Producer Liability (EPL) for building waste (excluding WEEE) required by the French AGECL law [law against waste for a circular economy] from 2022 onwards, GROUPE ATLANTIC joined in on the creation of the EMAT consortium in 2020. This body, comprised of economic players in the building sector, seeks to establish a national mechanism for traceability of waste from building demolition and renovation sites. This is part of GROUPE ATLANTIC's plan to become a member of an upcoming environmental organisation that arranges building waste pick-up and processing in order to avoid uncontrolled disposals.

END-OF-LIFE FOR PRINTED PAPER:

GROUPE ATLANTIC is a member of CITEO – Eco-Folio, an environmental organisation that collects and recycles paper waste in France.

¹⁶ - Given the amount of time required to collect data from Ecosystem, the data available pertains to the 2019 financial year

**10,000**

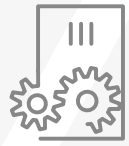
EMPLOYEES

**€2.2 Bn**

NET TURNOVER

**4**COMMERCIAL PRESENCE
ON 4 CONTINENTS**28**

INDUSTRIAL SITES

**8M**APPLIANCES
PRODUCED/YEAR