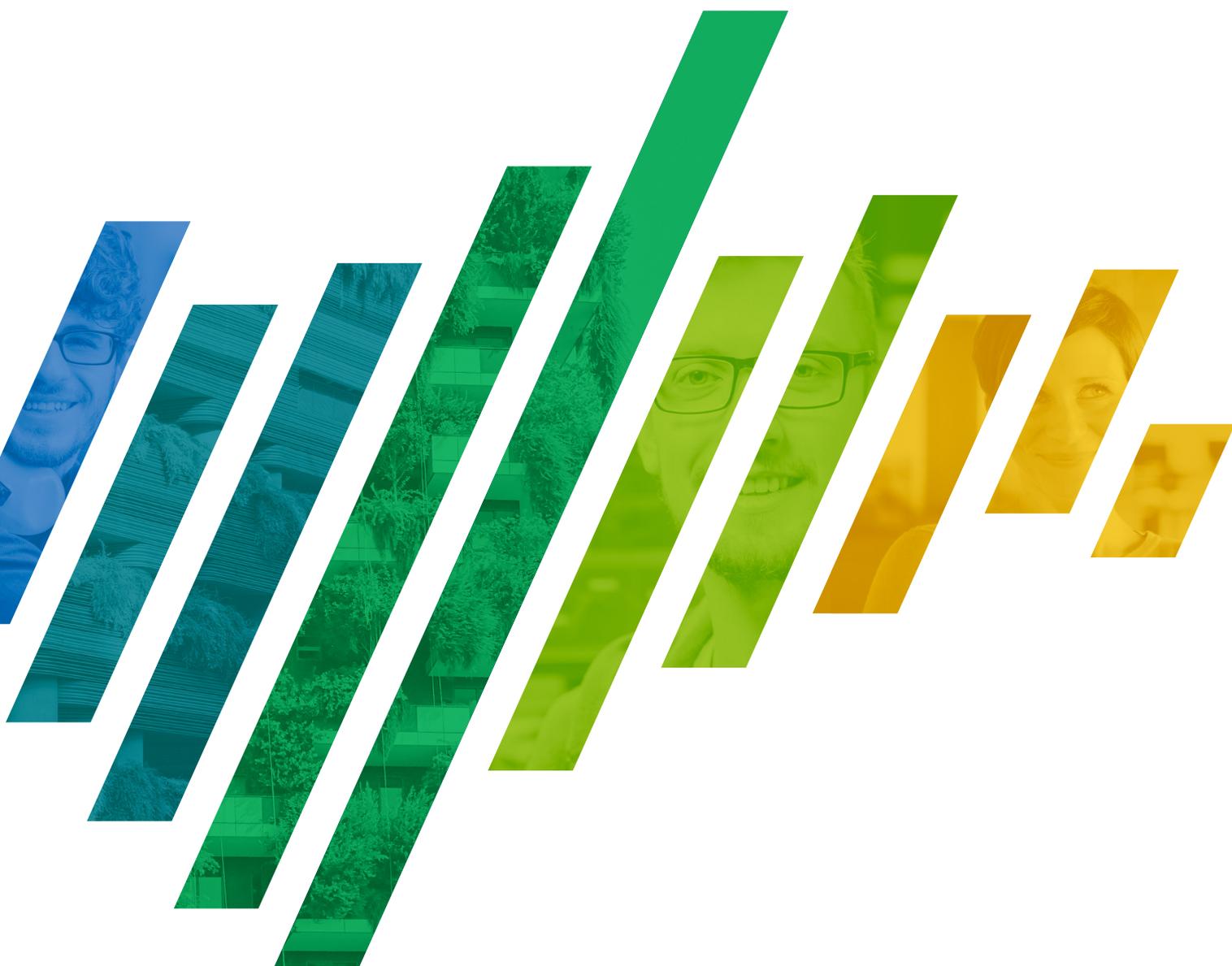


2024 SUSTAINABILITY REPORT

/ FINANCIAL YEAR 2023



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Introduction

At GROUPE ATLANTIC, the sustainable development strategy was launched in 2009, with its first founding element, the **Group's Environmental Declaration**. The latter outlines the guiding principles of the Group's policy. It is published in full in section 3 of this document.

As part of a more formalised, 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. Meeting twice a year, this Committee comprises members of Group General Management as well as the Industrial, Purchasing, Innovation, Human Resources and CSR Departments.

2021 saw a further milestone with the creation of a Group CSR Department. This department is tasked with accelerating environmental, social and societal practices in the years ahead, both in France and abroad.

To further control carbon emissions from its businesses, in 2022, a Carbon Accounting Committee was established, together with General Management.

In October 2022, the Group's endowment fund "Chaleur Partagée" ('Share the warmth') was applied to the CSR Department.

2023 saw the CSR Department formalise **the four key commitments in the 5 years ahead:**

- ✓ Two addressing environmental aspects: Low CO₂ emissions products & services + Low footprint activities.
- ✓ Two addressing social aspects: Team empowerment + Strong societal involvement.

Comprising five members, the CSR Department focuses efforts on environmental aspects in two main activities:

1. Products

- Product Life Cycle Assessments (LCAs): Product Environmental Profiles (PEPs).
- Monitoring of hazardous substances with suppliers.
- F-gas declaration (quotas on HFC fluids).

2. Sites

- Support for industrial sites' environmental approach, particularly through the coordination of a community of field-based Environment experts.
- Management of carbon/energy accounting at Group sites.
- Preparation and monitoring of in-house and customer environmental audits.
- Internal review and roll-out of circular economy regulatory provisions (e.g., France's AGEC law against waste for a circular economy).

Regarding social and societal aspects, the CSR Department works alongside other Group departments (HR, Purchasing, endowment fund, etc.) in an effort to consolidate data, define Key Performance Indicators (KPIs) for reporting, and to kick off new projects in these fields to elevate the Group's CSR performance.

The CSR Department is also involved in drafting the Sustainability Report.

This department is responsible for CSR reviews/questionnaires from customers and partners. The CSR Department participates in CSR practice audits performed by the sustainability ratings provider, EcoVadis. In 2023, the Group scored 55/100 (Bronze), with a four-point improvement on 2022 to finish 10 points above the Manufacturing Industry average (45/100 in 2022).

In accordance with legislation on social, environmental and societal information, GROUPE ATLANTIC has used the approaches outlined above to establish this Sustainability Report.



On the strength of its CSR commitments, GROUPE ATLANTIC contributes to 9 of the United Nations' 17 Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS



Business model

Atlantic Société Française de Développement Thermique (Atlantic French Company Specialised in Thermal Comfort Solutions), through all its subsidiaries and holdings (hereinafter referred to as GROUPE ATLANTIC), contributes to the development and marketing of HVAC products (Heating, Ventilation and Air Conditioning).

GROUPE ATLANTIC has set itself the following mission:

**To transform prevailing 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 organised into divisions. Such specialisation enables us to benefit from best-in-class talents and best practices in each of our areas of expertise.

The six divisions of GROUPE ATLANTIC collaborate daily to generate synergies between innovation and customer support.



KEY RESOURCES

GROUPE ATLANTIC relies on:

- ✓ Skilled industrial and commercial teams supported by training.
- ✓ 12,217 employees around the world (including temporary contracts).
- ✓ Plants across France (13 industrial sites) and in countries that help ensure that growing or emerging markets are supplied as locally as possible (19 plants and manufacturing facilities).
- ✓ An R&D Policy focusing on product eco-design, innovation and connected products.

ACTIVITIES (PRODUCTION, DISTRIBUTION, etc.)

GROUPE ATLANTIC performs the following activities:

- ✓ The manufacture of climate control engineering products - heating, domestic hot water (DHW) and ventilation - through various ranges using energies such as electricity, fossil fuels and renewable energy.
- ✓ Distribution of thermal comfort 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 22 specialist brands, all leaders in their sector.



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

MARKETS, PRODUCTS, CUSTOMERS

MARKETS

HVAC* is an integral part of the construction market.

Access to the new build market for HVAC* involves:

- ▮ National and international legislation, particularly in terms of construction regulations.
- ▮ 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 political ambitions to reduce greenhouse gas (GHG) 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

HVAC* is largely dependent on national energy policies. In France, for example, with the adoption of RT2012 legislation, heating via the use of electricity and electric water heaters were pushed into the background in the construction of new builds, thereby encouraging widespread use of gas boilers. The new RE2020 legislation now prohibits gas boilers in individual housing, instead favouring electric heat pumps. As for collective housing, CO₂ emission requirements will become more stringent in 2025. This will require solutions capable of transforming renewable energies alone, or combined with auxiliary fossil fuel sources such as hybrid heat pumps and heating networks.

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.

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

Regulations were adopted in France and throughout Europe with a view to implementing eco-design for products that use energy, regulating efficiency and energy performance while reducing GHG emissions. These regulations have a significant impact on consumption choices and the industrial strategies of the main players in the HVAC* market.

GROUPE ATLANTIC offers a wide range of HVAC* products.

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

* HVAC (Heating, ventilation & Air Conditioning)

INDIVIDUAL SOLUTIONS

Radiators and bathroom radiators	Electric and renewable energy 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	Heat recovery ventilation
				
Bathroom radiators	Thermodynamic/heat pump water heater	Hybrid gas and solar boiler	Hybrid heat pumps	Mono and multi-split air conditioning

COLLECTIVE AND TERTIARY SOLUTIONS

Commercial boilers (from 34 to 10,000 kW)	Industrial boilers	Collective domestic hot water heater (from 300 to 5,000 L)	Boiler room equipment	Air conditioning and ventilation (from 80 to 11,000 m ³ /h)
				
Free-standing gas condensing boiler	High pressure hot water boiler (465 kW - 23 MW)	Gas domestic hot water equipment	Filling module	Air handling unit
				
Modular gas condensing boiler	Steam boiler (250 kg/h - 30 t/h)	Collective domestic hot water thermodynamic/heat pump water heater	Heat interface unit	Central air conditioning

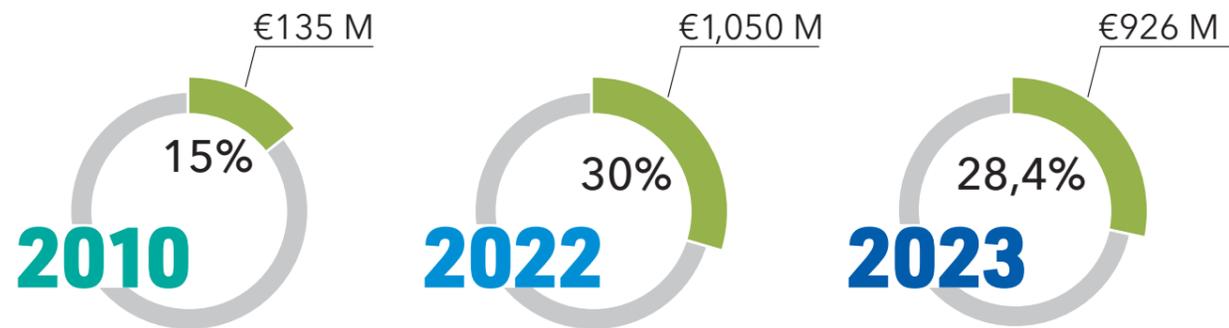
BREAKDOWN OF THE ENERGY MIX

In spite of market headwinds, the Group continued its decarbonisation strategy by developing and expanding its range of renewable energy (renewables) solutions. As a result, the Group's gross turnover from renewables¹ solutions has doubled since 2010, to reach 30% in 2022.

In 2023, factoring in a difficult construction and renovation market, the Group's gross total turnover declined by 6.7% with a slightly downward trend in the share of renewables products and solutions, ending at 28.4% versus 30% in 2022.

KEY PERFORMANCE INDICATOR

PERCENTAGE OF PRODUCTS USING RENEWABLES SOLUTIONS FROM GROUP TOTAL GROSS TURNOVER IN 2023: 28.4%



NB: It should be noted that from the 2022 financial year onwards, GROUPE ATLANTIC has used the gross renewable energy products sales as a percentage of total Group sales. The renewables turnover metric in use is equal to gross turnover, effective from the 2022 financial year and enabling five-year projections (net turnover was used in the 2021 financial year). The definition of the Group scope for this indicator is provided in the Note on methodology.



¹ - As defined by the European Renewable Energy Directive EU 2018/2001
 - Air/Air heat pumps (Air conditioning)
 - Hydraulic heat pumps (Aerothermal & Geothermal) Thermodynamic/heat pump and solar water heaters

CUSTOMERS

The Group's customers primarily stem from two networks:

- A professional network of distributors, wholesalers and installers.
- A network focused on retailers, such as DIY superstores.

TRENDS AND OUTLOOK

Despite a significant slowdown across markets for GROUPE ATLANTIC products, the Group remains focused on its strategy to invest substantially in an endeavour to support and drive products in their energy and low-carbon transition. In support of this eco-friendly transition, the Group seeks more cost-effective production measures while developing new products that reflect environmental concerns expressed by the general public.

As outlined in the Sustainability Report for the 2022 financial year, the Group continued the below manufacturing initiatives:

- The FGAHP joint venture between Fujitsu General (Euro) and Société Industrielle de Chauffage was successfully kick-started during 2023. This company seeks to design, manufacture and sell monobloc heat pumps running on low carbon impact gas (propane) to the Group's companies, for their end customers.
- The new plant in Istanbul is still under construction, with a scheduled date for completion in 2024.

2023 saw the Group focus on the following transactions:

- In Romania, manufacturing endeavours led to:
 - The acquisition of a company, now branded as GROUPE ATLANTIC Romania, which owns a manufacturing facility in the city of Ploiești.
 - The establishment of a company – Cotherm Romania.
- A stake acquired, via its Atlantic Acquisition Holdings UK holding in the capital of Clade Engineering System Group Ltd which manufactures, sells and provides after-sales services for industrial and commercial heat pumps as well as refrigeration systems (particularly CO₂-powered heat pumps). The Group's interest in this company lies both in expanding its product range of medium and large capacity heat pumps and sustaining investment in low-carbon emission solutions.
- Under its continued drive to develop low-carbon product ranges, the Group decided to build a new plant in Chalon-sur-Saône, eastern France, to manufacture heat pumps. To this end, GROUPE ATLANTIC Grand Chalon was founded at the end of 2023, with estimated investment of €150 million over a four-year period and a goal to start production at the end of 2025.

The Russia-Ukraine conflict extended into 2023. GROUPE ATLANTIC remained active in both countries. In Ukraine, the Atlantic & Geyser business network based in Kharkiv was reorganised due to the conflict. Last year, the Ukratlantic plant also managed to continue business.

In Russia, the Group sustained a freeze on investments.

GROUPE ATLANTIC AROUND THE WORLD



12,300
EMPLOYEES



32
INDUSTRIAL SITES



€3bn
NET TURNOVER



4%
OF NET TURNOVER
INVESTED IN R&D



32 INDUSTRIAL SITES

44 COMMERCIAL SITES

NEW IN 2023:

- Industrial sites:**
- Industrial site construction in Istanbul (still ongoing)
 - Acquisition of a plant in Romania, home to GROUPE ATLANTIC Romania
 - Incorporation of a company in Romania under the Cotherm spin-off
 - Founding of a company Heat pumps division - GROUPE ATLANTIC Grand Chalons

*Information as of 1 January 2023

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 thermodynamic/heat pump water heaters
- THAILAND
Rayong site
Electric water heaters
- FRANCE
Billy-Berclau site
Heat pumps and boilers
- GEORGIA
Kutaisi site
Water heaters
- TURKEY
Izmir site
Bathroom radiators
- FRANCE
Boz site (01)
Commercial boilers
- ROMANIA
Cotherm Romania (incorporation)
- FRANCE
Chalon-sur-Saône site

EXTERNAL GROWTH

- FRANCE / **Magnum**
- UNITED KINGDOM / **Hamworthy**
- ITALY / **Lazzarini**
TURKEY / **Erensan**
- GERMANY / **Feinwerk**
AUSTRIA / **Austria Email**
- UNITED KINGDOM / **Ideal Heating / Gledhill**
- FRANCE / **E-Module**
Trappes site
Hydraulic modules
- BELGIUM - THE NETHERLANDS / **Thercon / Orcon**
- BELGIUM / **ACV**
- FRANCE / **Innovert / Cotherm**
VIETNAM / **Ipix**
RUSSIA / **Zavod SST/ Teplolux**
- GERMANY / **Hautec / Thermic Energy**
BELGIUM / **Ventiline**
- INDIA / **Dehradun site**
- ROMANIA / **GROUPE ATLANTIC Romania (acquisition)**
UNITED KINGDOM / **Clade Engineering**



2 Risk analysis

The risk analysis presented below is the result of initial work completed in 2020. It mainly focuses on all internal risks. With its focus on more detailed risks, initial mapping identified the following challenges:

ENVIRONMENTAL CHALLENGES

- CONTROLLING THE ENVIRONMENTAL IMPACT OF INDUSTRIAL SITES:

GROUPE ATLANTIC strives to preserve the environment and manage the impacts 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 across the globe.

GROUPE ATLANTIC is therefore implementing an Environmental Management Policy based on its Environmental Declaration. As part of its efforts to acknowledge the climate impact of its activities, GROUPE ATLANTIC conducted a carbon accounting assessment at selected major sites.

- SUSTAINABLE PRODUCT 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 to strike the best balance 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 sevenfold in just a decade, accounting for 28.4% of the Group's overall business in 2023 versus 15% in 2010.

/// **KPI: Percentage of products using renewables solutions turnover from Group total turnover**

In line with environmental regulations, GROUPE ATLANTIC works towards MINIMISING THE ENVIRONMENTAL FOOTPRINT of its products through Life Cycle Assessments (LCAs).

/// **KPI: number of PEP² sheets and overall WEEE³ collection rate by the environmental organisation – ECOSYSTEM**

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

/// **KPI: Carbon accounting**

GROUPE ATLANTIC completed carbon accounting assessments at 15 sites, both in France and abroad, including the most strategic industrial sites. Assessments were conducted throughout 2022, with a focus on data from 2021. In an effort to comprehensively analyse emission sources, the review included the three scopes under the Bilan Carbone® (Carbon Accounting) methodology of the ADEME (French Agency for the Ecological Transition), spanning the Group's operated and non-operated activities.

As part of its efforts to minimise its environmental footprint, the Group decided to monitor energy consumption, mainly at its industrial sites.

/// **KPI: Gas/Electricity energy consumption in kWh**

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

/// **KPI: % of women in the workforce and % of women in managerial positions**

- 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 skills development

/// Monitoring indicator: Cost of training as a % of total payroll costs

/// **KPI: Cost of training**

/// Monitoring indicator: % of positions filled internally

/// **KPI: Rate of staff turnover (with an objective of stability and its maintenance over time)**

- EMPLOYEE SAFETY AND WORKING CONDITIONS:

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

/// **KPI: number of workplace accidents and frequency rate**

/// Monitoring indicator: severity rate

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 indicators: internal survey results

/// Monitoring indicator: rate of absenteeism

SOCIETAL CHALLENGES

- BUSINESS ETHICS:

Anti-Corruption Charter and personal data protection: Given its international scale and presence throughout the world, GROUPE ATLANTIC has established an Anti-Corruption 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 compliance with the European Union's General Data Protection Regulation (GDPR).

- GROUPE ATLANTIC PURCHASING POLICY:

In order to maintain best practices and to ensure compliance with regulations on sourcing from suppliers, GROUPE ATLANTIC has recognised that the Group Purchasing Policy should define a framework, to be shared by all of the Group's Purchasing Departments.

- STAKEHOLDER RELATIONSHIPS:

GROUPE ATLANTIC offers products that have a genuine impact on people'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 initiatives.

/// Partnerships and sponsorship (endowment funds, UK initiatives, etc.)

/// Training for the industry (its customers)

/// **KPI: Number of external customers who received training**

- CREATION AND RETENTION OF POSITIONS:

The Group is continuously creating jobs, fulfilling one of the key societal roles that companies play. In 13 years, the total number of GROUPE ATLANTIC employees tripled, from 4,200 in 2010 to 12,300 in 2023.

/// Monitoring indicator: Annual change in the total number of GROUPE ATLANTIC employees (France and abroad)

2 - PEP: Product Environmental Profile

3 - WEEE: Waste from Electrical and Electronic Equipment

The entire scope for the indicators presented in this document are detailed in the Note on methodology.

3 Environmental challenges

3/1 GROUPE ATLANTIC's Environmental Declaration

Under its Environmental 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 (GHG) 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 Research Centre for Thermal Comfort and in its laboratories.

2/ Reduce energy consumption and GHGs produced by Group business activities.

In 2023, French regulatory energy audits were updated or are undergoing updates at most of the industrial sites. These audits provide an effective analysis of potential actions depending on the layout of each site. In parallel, a certain number of GROUPE ATLANTIC tertiary sites comply with the Tertiary Eco Efficiency Scheme (DEET), which requires a reduction in energy consumption of up to 60% by 2050 compared against the reference year. In 2023, the Group continued its proactive strategy to reduce energy consumption, with further initiatives focused on the enameling processes of our Eastern France electric water heaters production plants, the transition to LED lighting and its management which continued to make progress, as well as a review of heating policies which has led to a reduction in the volume kept at a constant temperature in plants.

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

- Continuously aim to promote production techniques that lower water consumption.
- Optimise the quality of production-related wastewater.

4/ Control waste generated by Group activities.

- Sort and recover production waste by type of materials.
- The ECOSYSTEM environmental organisation in mainland France collects and recovers end-of-life Electrical and Electronic Equipment (EEE).

5/ Increase the use of recyclable packaging.

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

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

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

7/ Involve our supplier-partners in our sustainable purchasing strategy.

- 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.

3/2 Controlling the carbon footprint

At end-2021, GROUPE ATLANTIC issued a tender for assistance by an outside firm in conducting carbon accounting at 15 sites in France and abroad. This included the most strategic industrial sites. Assessments were conducted throughout 2022, with a focus on data from 2021.

For full coverage of emission sources, the review included the three scopes under the Bilan Carbone® (carbon accounting) method of ADEME (French Agency for the Ecological Transition), spanning the Group's operated and non-operated activities.

Definitions for these scopes are as follows:

- **Scope 1** emissions account for the company's direct greenhouse gas (GHG) emissions.
- **Scope 2** emissions account for indirect, energy-related emissions (electricity and use of heating networks).
- **Scope 3** emissions account for the remaining indirect emissions (e.g.: carbon footprint for used raw materials).

This review enabled the Group to:

- Identify the main sources of emissions; prioritise them.
- Create a baseline.
- Determine decarbonation levers.

The review observed the following as a full breakdown of the 80% production value audited:

- Scope 1** emissions at 39,761 tCO₂e, mainly from stationary combustion sources.
- Scope 2** emissions at 4,341 tCO₂e, mainly from electricity generation.
- Scope 3** emissions at 69,494,067 tCO₂e:
 - 98% of this scope relates to product use by end customers, because of the use of fossil fuels, and electricity generation.
 - The second Scope 3 item stems from the purchase of components and materials, which are key to the manufacture of Group products, particularly steel.
 - As for transportation, upstream goods shipping is the most significant, ahead of downstream goods shipping and employee commuting.

KEY PERFORMANCE INDICATOR

2021 CARBON ACCOUNTING ASSESSMENT GROUP-RELATED EMISSIONS



69,538,169 TCO₂E
(initial scope⁴)



88,000,000 TCO₂E
(extrapolated Group scope)

To gain a better insight into its environmental footprint, the ECET site in Egypt and Izmir site in Turkey were audited in 2023, using data from operations in 2022. These sites produce large volumes intended for the global marketplace. This audit detected the following emissions:

- 9,800,000 tCO₂e for Egypt's ECET plant (water heaters and bathroom radiators).
- 1,020,000 tCO₂e for the Izmir plant (Turkey) (bathroom radiators, and to a lesser extent, gas boilers with their production now discontinued).

Use of sold products accounts for most emissions at the Egypt site (98%). This is mainly due to factoring in electricity production needed to run the appliances in countries with a carbon-based electricity mix. What's more, water heaters are year-round appliances, often supplying entire households.

In Turkey, this item accounts for 93% of the total. Nearly half of this figure (44%) is due to production in 2022 of gas-powered commercial boilers for the local market. The rest is owing to bathroom radiators. However, such products are less energy intensive as their use is seasonal and applies to specific rooms.

Lastly, both sites' carbon footprints demonstrate the importance of steel purchasing, representing the second item for indirect emissions at these sites.

4 - Companies audited in the 2021 financial year: Ideal Boilers, Hamworthy, Guillot Industrie, SIC, Ygnis Industrie, Atlantic Industrie, CICE, ACTA Industrie, Austria Email AG, Thermor, Flying Faster, SCGA

3/3 Sustainable product offering

GROUPE ATLANTIC has implemented an ambitious development plan for decarbonised solutions. The latter are based on the principles of thermodynamics, accounting for 28.4% of Group turnover in 2023 (vs. 15% in 2010).

3/3/1 Environmental product approach

Markets, equipment and regulations encourage manufacturers to offer more environmentally friendly products.

To meet these standards, GROUPE ATLANTIC structures its Environmental product approach into environmental declarations, with two priorities:

- Better understand the environmental impacts of Group products.
- Design new and more sustainable products. At present, the Group develops environmental declarations based on the product Life Cycle Assessment approach. These declarations are made in compliance with the Product Environmental Profile (PEP) ecopassport® programme, supported by the Group as a member since 2011.

Product Environmental Profile (PEP):

- Relevant products: priority given to product ranges for the new build market.
- Assessment: identification of environmental impacts during the five stages of their life cycle: manufacturing, distribution, installation, use, end-of-life, and coupled - in 2023 - with the assessment of income and expenses beyond the system boundary through module D of the products designed for the French new build market (compliance with the ISO 14025:2010, ISO 14040:2006, ISO 14044:2006, and EN 50693 standards).
- Use of EIME (Environmental Improvement Made Easy) software, Product Life Cycle Assessment (LCA) and an environmental database developed by LCIE Bureau Veritas' CODDE Department - a centre of excellence in eco-design and sustainable product development.
- Identical drafting process for PEP ecopassport® sheets at all Group production centres.
- Extended collaboration with other production sites and suppliers in the drafting of PEP sheets.



**2023 SAW THE GROUP FILE
58 PEP ENVIRONMENTAL DECLARATIONS**

KEY PERFORMANCE INDICATOR

These 58 PEPs are registered in the PEP ecopassport® database including 347 commercial references: <http://register.pep-ecopassport.org/>, all of which can be accessed through INIES (France's national reference database for environmental and health data on construction products and equipment for the application of the country's RE2020 environmental legislation).

The Group also contributed to two new collective PEPs developed by the UNICLIMA Trade Union, also accessible from the INIES database, namely individual dual service air/water heat pumps and commercial DHW heat pumps.

In 2023, the number of readily available PEPs for Atlantic and Themor brand products was slightly up on 2022, pending an update to rules drafting PEPs and all related tools. However, the Group cemented its leader position as a supplier of environmental data for climate control engineering. By next year, the goal is to address products from all Group brands with more than 120 new PEPs.

Eco-designed products

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

- ✓ Products and packaging evolution while reducing any environmental impact generated during the various phases of their life cycle. New products are affected by the gradual roll-out of eco-design across Research and Development (R&D) Departments. Examples include:
 - Thermodynamic/heat pump water heaters from exhaust air with low environmental impact refrigerant.
 - Substitution of expanded polystyrene blocks in product packaging and development of reusable packaging.
 - By 2024, expanded polystyrene (EPS) in our heating appliance packaging will be substituted for cardboard and cardboard boxes.
- ✓ 2023 saw the R&D teams trained in assessing the recyclability rate of electric and electronic products as well as household packaging via calculation tools provided by environmental organisations such as ECOSYSTEM and CITEO.
- ✓ Gradual replacement of refrigerant fluids with the strongest impact on global warming. Examples include:
 - Heat pump and air conditioning ranges: switch to R32 (Global Warming Potential (GWP) of 675) from R410A (GWP of 2,100).
 - R290 (propane) domestic monobloc air-to-water heat pump ranges with a GWP of 3.
 - R290 (propane) commercial air-to-water heat pump ranges with a GWP of 3.
 - R290 (propane) thermodynamic/heat pump water heaters with a GWP of 3, substituting R134a (GWP of 1430) and R513 (GWP of 631).

Since September 2023, work is underway to recognise an eco-design approach in the Group's **WeGA** Ways to Industrial Excellence programme (new product introduction" ie NPI pillar), aimed at increasing awareness among R&D staff and buyers as well as levelling expectations and monitoring site practices across the board.

The Group also introduced prevention and eco-design plans for its products, packaging and paper, as required by France's AGEC law against waste for a circular economy.

3 / 3 / 2 / Innovation

In a fiercely competitive and fast-moving market, GROUPE ATLANTIC considers innovation its number-one growth driver.

The Group's innovation strategy guides its product and service developments, centring on six top priorities. The latter is conducted by the Group's R&D and marketing teams, in tandem with customers:

- 1/ Develop low-carbon solutions: delivering on products with a low-carbon footprint that meet the needs of consumers and the requirements of environmental policies.
- 2/ Oversee environmental quality: maximising comfort for customers, with a laser focus on thermal and sensory specifications, ergonomics and air quality.
- 3/ Achieve performance and energy efficiency: taking product energy efficiency to the next level while championing conservative use and recommending passive solutions that seek to recover energy.
- 4/ Propel a circular economy: operating as a responsible economic player throughout the product life cycle.
- 5/ Streamline the customer experience: actively influencing every stage of the customer experience, making their lives easier through innovative solutions.
- 6/ Champion thermal comfort as a service: exploring new business models that sell use, as opposed to equipment and facilities.

To date, the Group is working on approximately 50 innovative projects to take on such challenges.

GROUPE ATLANTIC's 20 laboratories develop, test and certify existing and future products all over the world.

The vast majority of our manufacturing sites have their own laboratories, which allows R&D teams to stay close to the production of solutions. The Group's laboratories have several roles:

- ✓ Develop and improve new products.
- ✓ Evaluate the performance levels of our solutions.
- ✓ Contribute to global-reaching working groups that establish testing standards.
- ✓ Achieve certification for products.

To instill a culture of innovation among employees, the Group spearheaded three specialised training programmes:

- ✓ Managers, drivers of Group innovation.
- ✓ Foster innovation for project managers and experts.
- ✓ Act as facilitators in design thinking.



The Group has designated contacts specially trained in **Design Thinking** who are available to lend their assistance to any project that would like their input.



Furthermore, the Group launched the **POPCORN** participative innovation competition, offering every employee the chance to contribute to moving the company forward by submitting their innovative ideas. This initiative serves to transform the selected ideas into actual projects, thereby paving the way for an active community in our group, with a focus on innovation.

In 2023, the competition focused on "How to reduce our environmental impact at GROUPE ATLANTIC ?"

Key figures are as follows: 700-plus ideas submitted, 9 finalist teams, 3 winning projects. Successful teams began work on their projects in September 2023. Moreover, the Group has active involvement in the **S2E2 Competitiveness Division**, which focuses on smart electricity technologies, supporting energy management in France's Centre-Val de Loire, Pays de la Loire and Nouvelle-Aquitaine regions.

GROUPE ATLANTIC also runs the **G.A. Partners program for open innovation**. The latter is a way for us to forge partnerships with startups and boost innovation as well as jointly developing new products, pioneering offers, and driving the growth of fast-developing businesses.

Lastly, developing experiments with our customers is another important aspect of an Innovation-centred approach, enabling the Group to test and learn prior to the design of products and services that increasingly appeal to consumers.

3 / 3 / Extended Producer Responsibility

The waste framework directive 2008/98/EC of the European Parliament and Council dated 19 November 2008 reminds manufacturers of their responsibility to oversee the waste management of end-of-life products.

In France, the principle of extended producer responsibility (EPR) has existed in law since 1975 and can be codified as follows: *"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 generated waste."*

 *Article L.54-10 of the French Environmental Code ("Code de l'environnement")*

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

End-of-life for EEE appliances:

GROUPE ATLANTIC is a founding member of ECOSYSTEM, an environmental organisation that manages the collection and processing of end-of-life electrical and electronic equipment waste in France (WEEE). The Group is actively involved in the governance of ECOSYSTEM (Board of Directors and Operations Committees) in its endeavour to monitor the performance of WEEE collection, along with its funding.

Initiatives are currently under review, including:

- How to process gases serving as blowing agents for the insulation of water heaters: ECOSYSTEM is reviewing the possibility of developing an industrialised system to treat domestic hot water (DHW) tanks within a confined space. The Group participates in this effort by reporting data on appliances brought to market (volumes, gas type).
- Re-use or preparation with a view to re-using spare parts for electrical and electronic equipment (EEE) products: the Group is considering the possibility of re-using or recycling specific sub-assemblies by drawing on the support and expertise of ECOSYSTEM.

In 2023, ECOSYSTEM collected and processed **1,665,378 end-of-life electrical appliances** for GROUPE ATLANTIC. Products sold outside of France are handled by Group subsidiaries who are either members of local environmental organisations or have directly implemented their own processes to manage the end-of-life stage for appliances.

KEY PERFORMANCE INDICATOR



IN FRANCE, FOR 2023, THE THEORETICAL WEEE COLLECTION RATE REPORTED BY THE ENVIRONMENTAL ORGANISATION ECOSYSTEM VERSUS THE CONTRIBUTION OF GROUPE ATLANTIC IS 55.1%.

End-of-life for construction product and material appliances in the building sector:

2023 saw a new waste system introduced in France, namely the PMCB EPR⁵. This system was established to track and manage waste from building demolition and site renovation. GROUPE ATLANTIC develops PMCB standing for construction products which is why it joined the environmental organisation, Valdelia, in an effort to honour its end-of-life collection and processing commitments.

End-of-life for packaging and printed paper:

GROUPE ATLANTIC is a member of CITEO, an environmental organisation tasked with:

- Sorting and recycling household packaging in France.
- Collecting and recycling paper waste in France.

3 / 3/ 4/ Compliance with regulations

The Group guarantees the stringent compliance of its products with environmental regulations through its various departments (regulatory monitoring community, CSR Department, Marketing Departments). The latter plan for the application of various regulatory provisions which have an impact on the Group's CSR approach.

A case in point is France's AGEC law (against waste for a circular economy) which provides for the following: communication of product environmental qualities and specifications of products sold to the consumer; enforcement of instructions for sorting products based on Extended Producer Responsibility (EPR) and intended for consumers (TRIMAN logo in France); establishment of new EPR systems, strategy to ban single-use plastics, etc. Since 2021, in-house teams were structured to understand and fulfil these new requirements.

In order to comply with these fresh regulations, including none other than the AGEC law and customer requests, readily-available CSR data for our products is of paramount importance. In response to such demands, at end-2022, the CSR team established a plan to identify relevant data for monitoring and reporting within a shared database for disclosure to the markets externally. In force for Group divisions across the board, this plan is expected to be implemented over the next two years. Drawing on this database at end-2023, we successfully developed QES (Quality and Environmental Specifications) product sheets, as requested by France's AGEC law. These sheets include environmental data for products, packaging and paper, with a focus on detection of hazardous substances, rare earths and precious metals, recyclability and the incorporation of recycled materials.

Additional regulatory requirements

GROUPE ATLANTIC is authorised to import products filled with a refrigerant fluid into the European Union (EU), in accordance with the F-gas⁶ regulation requirements, and declares the quantities of greenhouse gases (HFCs) brought to market with both the European and French authorities.

The Group's CSR Department has instructed an external organisation - EcoMundo - to systematically confer with all suppliers regarding REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals), RoHS (Restriction of Hazardous Substance), POP (persistent organic pollutants) and nanoparticle regulations. During 2023, rare earths and precious metals were added to criteria under France's AGEC law against waste for a circular economy. This campaign aims to ensure compliance and determine items potentially formed of substances that are hazardous for people's health and the planet. Concerning the REACH regulation, EcoMundo's reporting identified that slightly less than 8% of products contain SVHCs⁷. 2023 was characterised by significant progress in managing and monitoring substances: stepping up buyer involvement and ensuring security through crisis management.

KEY PERFORMANCE INDICATOR

30 INDUSTRIAL SITES ARE COVERED UNDER THE 2022/2023 ECOMUNDO AGREEMENT

This applied to 3,000-plus suppliers with 70,000 commercial references.

⁶ - (EU) Regulation No. 517/2014 of the European Parliament and Council, dated 16 April 2014, on fluorinated greenhouse gases (GHGs)
⁷ - SVHC = Substance(s) of Very High Concern

3 / 3/ 5/ Sustainability

GROUPE ATLANTIC does its utmost to create products that are well-designed, fully maintained and high-performing for as long as possible.

In France, 36,000 spare parts are distributed. Such products are made available for the decade that follows their initial marketing. Year in, year out, this accounts for over 500,000 spare parts delivered to customers in 24 hours. To provide the best possible guidance and support to users, the Group operates a repair assistance service with specialised tutorials, an extensive network of accredited after-sales partners, local, technical manufacturer services and a technical customer support service on hand to meet their technical specifications.

3 / 4/ 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. After identifying the environmental aspects linked to its industrial activity as a critical issue, the Group adopted an environmental management approach.

3 / 4/ 1/ Environmental management system

GROUPE ATLANTIC is committed to environmental protection, adopting a high-quality approach across all of its industrial sites. The Group applies the ISO 14001 standard.

Each of the Group's sites decides on certification and self-reporting.

Group industrial sites comply with regulations set by the countries in which they are located. In France, 11 out of 13 sites are regulated by the Classified Installation for Environmental Protection scheme and are registered or authorised to operate by the local authorities (Préfecture) in their department. In addition, international sites have all the environmental approvals required to conduct their business.

In France, the Arcueil site achieved several certifications which validate building environmental performance, including "HQE⁸", "BREEAM⁹" and "Effinergie+". During construction, the Boz industrial site (France) was also HQE-certified.

Sites are also given support for regulatory monitoring and compliance by an environmental coordinator with a cross-functional approach throughout the Group.

Below are the initiatives underway across the environmental network:

- / **Environment Club:** its purpose is to bring together environmental managers from industrial sites on a regular basis, to improve Group operations and discuss ongoing projects on each site. This community now draws on 26 experts who met twice last year for Environment Club gatherings.
- / **WeGA (Ways to Excellence at GROUPE ATLANTIC):** an initiative led by the Group to achieve operational excellence. Such a strategy now includes roadmaps to tackle environmental issues under the programme's Safety pillar.
- / **Environmental reporting:** this approach helps pinpoint the main environmental issues and their impact on industrial sites in an effort to assess and prioritise these risks. In 2022, environmental reporting was recognised in the WeGA initiative, with the aim of becoming a universal assessment criterion at all sites. 2023 ushered in an overhaul of environmental reporting and upon completion, the tool will be tested through an audit of two industrial sites prior to full-scale roll-out in 2024.

All sites have employees who are responsible for elevating environmental management whether through: regulatory monitoring, site surveys, targets and clearly defined action plans. In particular, they may act on the following topics:

- / Sustainable use of resources.
- / Pollution and waste management.



3 / 4 / 2/ Sustainable use of resources

2023 witnessed the Group continuing its efforts to ensure energy efficiency.

Key initiatives in 2023 include:

- / **Monitoring energy and water consumption:** multi-year monitoring and analysis performed at most GROUPE ATLANTIC sites with definite action plans regarding major consumption areas. The sites strive to use a closed-circuit water system for Group processes to curb consumption.
- / **Seneffe plant (Belgium):** the installation of tanks to compartmentalise the plant's volumes ensures more accurate selection of heating areas, driving substantial reductions in consumption. These installations, together with measures to control lighting and the gradual transition to LEDs, triggered a 40% reduction in the site's gas consumption with electricity consumption that declined by 10%.
- / **Saint-Louis facility (France):** wide-scale renovation of the enameled inner tanks was completed last summer. Each year, it will cut gas consumption by an estimated 190 tonnes of CO₂.
- / **Fontaine plant (France):** initiatives to lower energy consumption (e.g. : optimising tank settings and reducing compressed air leaks) reduced overall electricity consumption by c. 7% and gas consumption by 1%, representing around 43 tonnes of CO₂e emissions avoided in one year.
- / **The Group kick-started efforts to modernise production lines** factoring in restrictions to energy savings, environmental protection and product eco-design.
- / Replacement of the petrol engines in our handling forklifts with electric engines is gradual and ongoing.

Effective since 2022, the Tertiary Decree on energy performance requires companies with tertiary buildings of 1,000m²-plus surface area to report their consumption as of 31/12/2022. The Decree concerns 22 GROUPE ATLANTIC sites, each with a commitment to cut consumption by 40% out to 2030, and by 60%, out to 2050.

Consumption for gas, electricity and water all declined from 2022 to 2023. This is mainly owing to a decrease in the number of manufactured units at sites.

→ Monitoring indicator: Group* water consumption in 2023: 188,889 m³.

*see relevant scope in the Note on methodology

KEY PERFORMANCE INDICATOR

IN 2023, GROUP* ENERGY CONSUMPTION TOTALLED 168,662 MWH



GAS: 108,398 MWH



ELECTRICITY: 60,264 MWH

*see relevant scope in the Note on methodology

8- HQE = High Environmental Quality
9- BREEAM = Building Research Establishment Environmental Assessment Method

3 / 4 / 3/ Pollution and waste management

Below, examples of initiatives to accelerate waste management:

- Noise measurements and monitoring of water and air pollution: identifying areas for improvement to shrink environmental impacts and enhance working conditions.
- Waste management: establishing on-site procedures, which at the very least, include the sorting of hazardous and non-hazardous waste. Waste is sorted at the source either in-house or by a waste service provider. For most of these sites, sorting is ensured through computerised monitoring of traceability (volume, business, waste collecting company, etc.).

➔ **Monitoring indicator:**
In 2023, Group* sites generated 25,554 tonnes of industrial waste (with 93% non-hazardous waste).

* see relevant scope in the Note on methodology

Other initiatives are being led to promote mobility and spotlight waste sorting:

- Business travel is being reduced as a result of the roll-out of specific architecture for **videoconferencing**.
- **Soft mobility:**
 - **Employees can reserve electric bicycles** made available at France's La Roche-sur-Yon site. These bikes come with safety kits for employees including helmets and yellow vests, etc.
 - **A "maintenance de votre vélo"** ("maintain your bicycle") day was organised at our Arcueil campus to promote cycling for commuting. The site paid for refitting services and the supply of brake pads and blocks where required, provided for all permanent employees.
 - **Sustainable Mobility Package:** €250 bonus unveiled in 2023 for specific companies to acquire an electric bike. This bonus was extended to traditional bikes and scooters.
- **"A gesture for the environment" initiative:** poster campaign centred on best practices for the environment staged in a partnership with site environmental managers and aimed at raising awareness among operators. Such priorities notably address waste sorting, chemical compatibility and retention characteristics, as well as air and water leaks. Posters were sent out across Group sites.



3 / 5/ Employee awareness

GROUPE ATLANTIC employees are educated on environmental issues through messages posted on the Group's communication channels:

- Newsletters covering CSR news and activities.
- Sharing of local energy savings endeavours.
- Articles featured in the Group internal magazine, translated and distributed throughout the company.

One tool was developed these past 2 years, particularly in France: **The Climate Fresk**, a collaborative workshop evaluating the causes and impacts of global warming owes its origins to Cédric Ringenbach, via Intergovernmental Panel on Climate Change (IPCC) reports. Presented by and for the Group's employees from 2020, it reported notable progress in 2022, with the launch of an in-house community of trained facilitators. To date, the Fresk community includes 30 trainers. Facilitators regularly plan sessions that are open to employee volunteers. Managers also arrange other events for their teams. These workshops serve to prioritise climate change in the Group's corporate culture, which supports and justifies the industry's shift toward low-carbon solutions. Depending on the format, these sessions can be used for team building or collaboration with colleagues from other departments while gaining deeper insights into what causes the climate crisis.

Last year, a further 505 Group employees took part in one of these collaborative workshops, increasing the total number of participants to 866.



4 Social challenges

The Group's HR policy aligns with its original purpose: "to transform prevailing energies into lasting well-being." This combined human dynamism is articulated in our first CSR commitment: "High staff Empowerment." To this end, GROUPE ATLANTIC ensures that its teams feel valued and supported, guaranteeing their well-being at work as well as their protecting their diversity and ensuring that they upskill.

In 2023, social activities for GROUPE ATLANTIC were largely characterised by the unexpected downturn in our markets, causing business to slow. For industrial sites, this led to a halt in hiring temporary staff and the introduction of short-term working schemes at some sites in France, and even the departure of employees at specific production facilities abroad. As such, for most of 2023, sustaining jobs became a social challenge.

2023 was also marked by an extension to the Russia-Ukraine conflict. GROUPE ATLANTIC continued its multiple initiatives to deliver optimal support to its Ukrainian employees (re-employment of Ukrainian personnel at our French sites, remote coaching and involvement of some Ukrainian employees in Group seminars internally and training courses outside Ukraine).

4/1 / Equal treatment 1/ Accessibility Policy

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

"The Handi-Accueil (accessibility) Policy forms the core of GROUPE ATLANTIC's values and mission."

 **Damien Carroz** - Group Managing Commercial Officer

"With respect to disability, we can be proud of our achievements as a collective."

 **Emmanuel Caille** - Group Managing Director, Industry



GROUPE ATLANTIC'S POLICY PROMOTING THE INCLUSION OF PEOPLE WITH DISABILITIES IS BASED ON THREE PILLARS:



In France, during the 27th European Week for the Employment of People with Disabilities, held between 20 and 26 November, 2023, a number of local initiatives helped raise awareness and mobilise employees in an area that affects us all: addressing the way people perceive disability. Examples include:

- At our **Merville** and **Billy-Berclau** sites, employees volunteered to participate in the Hauts-Lympics Games, a series of locally run Paralympic games.
- Our **La Roche-sur-Yon**, **Fontaine** and **Mezrieu** sites marked the occasion of DuoDay, France's "Job Shadowday". Under this initiative, persons with disabilities get to spend the day in a professional setting.

In the **United Kingdom**, the Group preserved its **Disability Confident Employer** status, improving the way it attracts, recruits and retains workers with disabilities.

In **Turkey**, GA Izmir became fully accessible to all employees with motor disabilities. Working conditions were scaled up for these staff with the introduction of ergonomic chairs, machines and equipment, extra breaks and a more personalised work schedule.

→ **Monitoring indicator:**
Number of workers with disabilities in France (2022): 188.4*
 *full-time equivalent (FTE)

In **France**, the monitoring indicator was up by 54.2 people from 2020. This accounts for a 4.3% employment rate among workers with disabilities vs. 2.9% (2020) and 3.3% (2021). Nationwide, the employment rate was 3.5% in the private sector.

In **Austria**, Austria Email AG contracted 27 employees with disabilities representing a level of disability at least equal to 50%.

In **Turkey**, GA Izmir contracted 10 employees with disabilities in various departments.

4 / 1 / 2 / Gender equality

GROUPE ATLANTIC's policy is supported by legal compliance requirements to guarantee 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.

- As part of its agreements regarding professional equality in France, and in accordance with its fundamental principles, GROUPE ATLANTIC aspires to foster equality in the professional world, day in, day out. During International Women's Day which took place on 8 March 2023, several sites scheduled events to increase awareness as well as to merely highlight the efforts of our women employees. In an endeavour to champion women's jobs throughout industry, the Group started a communications campaign, featuring the "Manufact'Her" videos, offering a spotlight on the jobs done by women across our sites.
- In the United Kingdom**, the Group was made an *Equal Opportunities Employer* which acknowledges companies' fair treatment when it comes to employment, promotions, training and other staff undertakings, all irrespective of gender. 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. 2023 saw managers across the board complete training on the right to dignity and respect for diversity.
- In Austria**, Austria Email AG took part in an initiative known as "Girls Day". Its purpose: to reverse the trend in women's career decisions and address the way they perceive the world of work, hosting a discovery day for them to consider pursuing a career in the STEM (Science, Technology, Engineering and Maths) and crafts fields.
- In Spain**, under the equality plan, teams were offered four sessions on knowledge and awareness of the Protocol to Prevent Violence in the Workplace.



→ Monitoring indicator: In France*, for 2023, the gender equality index¹⁰ averaged 82.4.

*see Note on methodology for relevant companies

10 - The breakdown of the gender equality index can be accessed from the GROUPE ATLANTIC website, under "Our commitments"



* France, United Kingdom, Austria, Spain and Turkey

4 / 2 / Talent recruitment and retention 1 / Relationships with schools



In order to support its development, the Group aims to increase its appeal to students. This will make it easier to recruit interns, work-study participants and recent graduates, as well as forge partnerships.

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

- Partnerships with 33 schools:** student visits to plants, supervised projects, attendance of forums and trade fairs, etc.
- Financial support to 48 schools**, via France's vocational training tax ("taxe d'apprentissage"), contributing a total of €171,022 in 2023.
- The '1 day/1internship'** programme is a day initiative for choosing the future interns of the Group's various sites.
- Recruitment drive for work-study participants:** 1 immersive selection day, enabling students to discover the Group's businesses and job opportunities.
- 'Business field ambassador'** employees act as the link between managers and students from the Group's partner schools, to lead meetings and projects.
- Engagement events with our student communities**, kick-started in 2022, and continuing through 2023: workshops, sponsorships, Trainee Days to encourage student meetings and virtual forums.

Once again, in 2023, the Group scooped the 'ChooseMyCompany.com' award. This distinction recognises managerial excellence and the high motivation of interns and work-study participants. The overall grade was 4.2/5, with a recommendation rate of 97.8%. With its 78% survey response rate, the Group placed in the Top 10 for this metric.

- In the United Kingdom**, the Group is a strategic partner of Ron Dearing UTC. The latter represents an establishment offering a unique approach to education for 14 to 18-year-olds, and supervised apprenticeship with an employer specialising in engineering, creation and digital technology. On top of this, the Group also joined forces with St Mary's College through active participation in events designed to guide young people in their career choices.
- In Spain**, GROUPE ATLANTIC España partners with various higher education establishments. On the strength of these partnerships, 2023 saw the Group hire four interns in Marketing, Finance and Industrialisation.
- In Austria**, Austria Email AG is working closely on apprenticeship contracts with the Graz University of Applied Sciences, in addition to the University of Leoben. To date, five trainees are completing courses. Austria Email AG is involved in the digital event ("where school meets industry"). Students from local schools also approach Austria Email AG to learn about apprenticeships while visiting the plant.
- In Turkey**, to prepare the future Istanbul plant, a cooperation partnership was formed with the Istanbul Alibeyköy Anatolian and Istanbul Arnavutköy Anatolian Technical High Schools. GROUPE ATLANTIC Izmir is joining forces with universities, and specifically 8 students in 2023 to conduct internships and part-time initiatives. Two of the 8 students were hired. French students (trainees) are also being hosted on site.

4 / 2 / 2 / Apprenticeships

GROUPE ATLANTIC is stepping up onboarding initiatives for young people through work-study programs in an effort to transfer knowledge and provide job opportunities, longer term.

→ Monitoring indicator:

By 2023, the Group* will have 338 work-study participants, with 298 in France.

* France, United Kingdom, Austria, Spain and Turkey.

In 2023, the Group recruited **114 work-study participants**, reflecting its commitment in this area.

Last year also saw the GROUPE ATLANTIC Services Division welcome the second intake of the **Refrigeration engineering academy**. Developed in partnership with the Isère Training Division, this training delivers a six-month certified work-study course to obtain a Certificate of Parity Qualification in Metallurgy (CPQM) as a "Heat Pump and Air Conditioning Maintenance Technician" for people from diverse backgrounds without any necessary pre-established expertise in the business. Under the first intake, 7 qualified trainees joined the Rhône Alpes local, technical manufacturer service as well as the Meyzieu and Pont-de-Vaux technical customer support services.



REFRIGERATION ENGINEERING ACADEMY:
PREPARING OUR FUTURE EMPLOYEES
FOR THE SERVICES DIVISION



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.

In 2022, a 'glocal' strategy was implemented to raise the Group's profile on social networks, including:

- The Group's international status.
- Group-wide innovation.
- How the Group boosts local employment.

GROUPE ATLANTIC continued and initiated several steps in 2023 to expand its reach as regards social media:

- Training for managers** on how to use LinkedIn and elevate the standing of GROUPE ATLANTIC as well as source new applicants.
- Development of the Ambassadors' programme** which strives to turn our employees into veritable standard bearers for GROUPE ATLANTIC across social media.
- A targeted social media campaign, designed to** appeal to talents with a focus on challenges with heat pumps.
- 2023 also saw the Group step up its "New GAneration"** - communications campaign across all social networks.

Last year, for the 15th time, the Group was named "Top Employer" in France.

What's more, the Group placed 34th among "Top Employers in 2024" in the CAPITAL Magazine rankings.

For the first time ever, GROUPE ATLANTIC **came first in the "Electrical equipment and materials"** category, topping the 57 assessed companies. This award pays tribute to the best companies to work for, from a total of 2,100 companies throughout France.

4 / 2 / 4 / Internal training and upskilling



HR Policy aims to upskill each individual in order to enhance efficiency and leverage expertise. The goal, as with Group customers, is to develop a lasting relationship with its employees, providing them with support as they develop their careers and fostering mobility.

In 2023, GROUPE ATLANTIC allocated 3.9% of its payroll in France to professional training and upskilling. This was reflected in 14,371 intern training days (excluding digital), an increase of 24.8% from 2022.

KEY PERFORMANCE INDICATOR

**GROUP TRAINING EXPENSES* 2023:
2.9% OF THE GROUP'S TOTAL PAYROLL, I.E. €9,893,960**

* France, United Kingdom, Austria, Spain and Turkey

Last year, the Group's training package was further expanded with the roll-out of **academies and 'personalised' courses** particularly via the WeGA and Heat Pump Academies in addition to Project Manager courses.

The influence of **digital technologies** also grew within the Group, with numerous training modules now online, increasing the total number of courses to 27, available in multiple languages. As a result, last year saw 1,055 people complete online courses both in France and abroad.

The WeGA initiative, which strives for Group-wide operational excellence, continued to run its **WeGA Academy**. A total of 100 courses are available, whether in digital format, in-person or via e-learning. By the end of 2023, 575 people had completed training through the academy's digital modules.

In 2023, the Group introduced two collective intelligence courses:

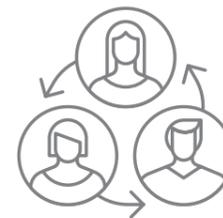
- **Managers as agents of collaborative innovation:** this course is geared towards experienced managers, enabling them to upskill and involve their teams using collective intelligence tools.
- **Design Thinking:** last year, the improved course enabled 10 participants to discover the methodology and hone their skills as facilitators in order to implement this service for the Group as a whole. This facilitated process can be directed at products (development of new products, new features, etc.) as well as services (new internal process, customer reviews, etc.).

Furthermore, the Group is committed to developing and engaging with various communities:

- **A community of managers,** through an Intranet communications page coupled with efforts to encourage participation in training webinars on open-ended topics (navigating intercultural working environments, managing younger generations, etc.).
- **A community of experts,** through assisted, personalised training courses that refine their interpersonal skills as well as Expertise Days spotlighting their areas of expertise.
- **A community of in-house facilitators,** with a background in Design Thinking and Managers as Agents of Collaborative Innovation, guiding teams on the pathway to collective intelligence.

Lastly, the **young graduates program**, which was sat by 107 newly-qualified engineers in 2023, who were based in the Group's various sites in France and abroad, thereby creating a fully-fledged talent hub. Through this three-year course, the Group provides onboarding for participants who benefit from a specialised coaching programme.

KEY PERFORMANCE INDICATOR



**10.1% GROUP STAFF
TURNOVER RATE^{11*}**

* France, United Kingdom, Austria, Spain and Turkey

→ **Monitoring indicator:**

In 2023, 27% of positions (excluding blue-collar workers positions) were filled internally, i.e., 374 internal positions.

* France, United Kingdom, Austria, Spain and Turkey

11 - Group staff turnover rate = ratio between the number of employees who left within a year and the annual average workforce, multiplied by 100

4 / 3/ Safety and working conditions

GROUPE ATLANTIC believes that the health, safety and working conditions of its employees are paramount to its development. In this spirit, the Group sought to implement all measures aimed at reducing the number of workplace accidents and occupational illnesses throughout its sites.

KEY PERFORMANCE INDICATOR

IN 2023, THE GROUP* REPORTED:



237 PEOPLE INJURED**



WORKPLACE ACCIDENT FREQUENCY RATE = 10.12**

* See Note on methodology ** includes permanent + temporary staff

→ **Monitoring indicator:**

2023 severity rate for Group* workplace accidents*: 0.30**

* See Note on methodology

** includes permanent + temporary staff

Health, safety and the environment form the most important of the WeGA pillars (Ways to Excellence at GROUPE ATLANTIC). In spring 2020, the Safety Club, which brought together HSE (Health, Safety and Environment) Managers from all industrial sites, established 11 roadmaps. Through each roadmap, the Group has defined actions for:

- Analysing accident risk.
- Protecting people.
- Training.
- Formalising processes and ensuring compliance.

The purpose of the Safety Club is to harness a full set of best practices, making them accessible across all sites and all hierarchical levels. As such, at the end of 2023, based on 66 'level 0' criteria in terms of our drive for excellence, the level of maturity scored a full rate of 100%. In 2023, our plants also started applying the 103 'level 1' criteria of our drive for excellence, and their level of maturity - initially assessed at 68% in the year's early stages - rose to 73.5% by year-end.

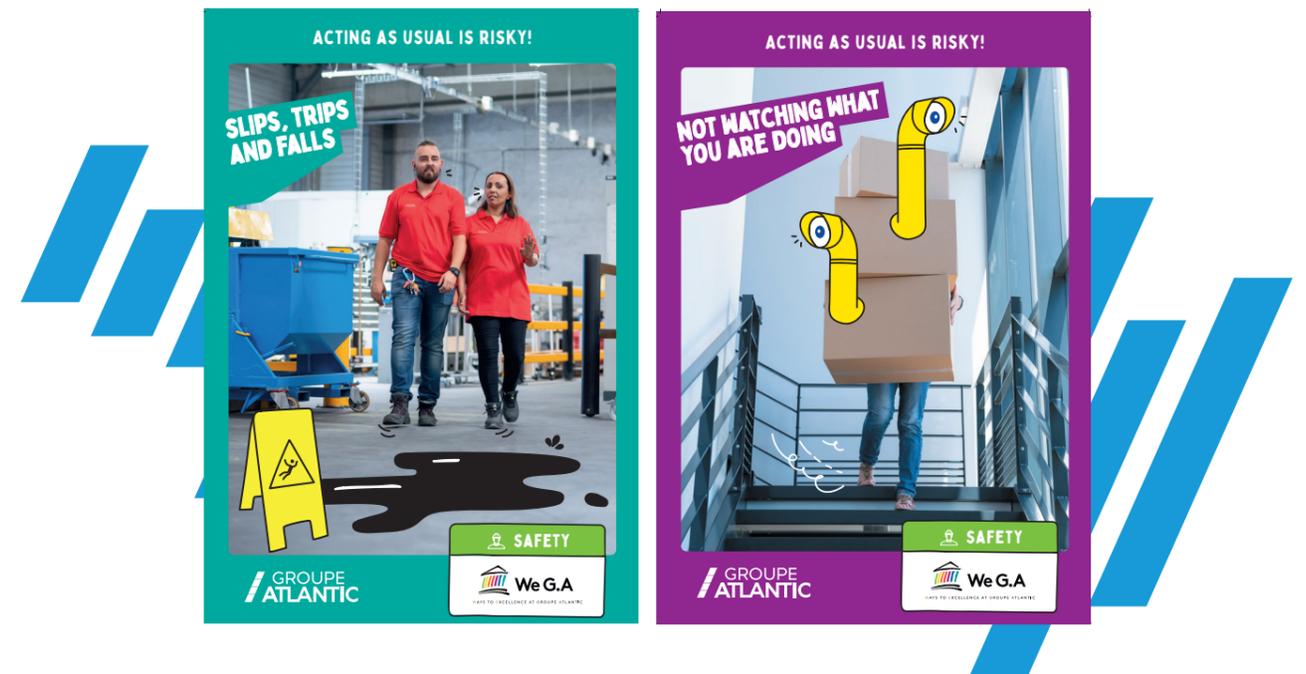
Throughout 2023, the Safety Club continued efforts to standardise tools and share training courses.

2023 saw our sites deliver safety training courses, with a focus on the Basics of Safety for managers (by end-December 2023, 431 managers at our industrial sites had sat this course).

Parallel to this, the Safety Club - which is the body responsible for regular direct exchanges among the various players in charge of on-site workplace safety - publishes a monthly newflash on workplace accidents. It also reports on key highlights and best practices.

More specifically, here are examples of initiatives across our sites which illustrate GROUPE ATLANTIC's approach:

- Daily health services:** a nurse is present on-site to manage employee health needs, and to raise risk awareness of workplace accidents (La Roche-sur-Yon, Merville, Orléans and Saint-Louis).
- Analysis of "near-miss accidents":** since 2021, across its sites, GROUPE ATLANTIC has gradually introduced a process for identifying and analysing near-miss accidents (i.e., safety incidents that could cause an accident) based on their severity.
- The UK Division kick-started the **Time Out for Safety** initiative in September 2023, with two challenges: Stop & Think, an exercise to determine danger within teams, and Have Your Say, a programme recommending ways to improve as individuals. Over 300 people across the UK participated.



4/4/ Quality of Life at Work

1/ Improving workplace well-being

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.

Industrial sites: WeGA's drive for industrial excellence includes a "Personal development" pillar in an effort to optimise support for management and teams. Jointly developed with the HR Department and all HR Managers across industrial sites, this pillar addresses ergonomics and well-being at work. Last year, industrial sites implemented 100% of the recommended 'level 0' criteria for each of these issues.

What's more, they began to enforce recommended "level 1" practices as part of our drive for excellence, increasing from 55% to 68% with respect to collective maturity.

On non-industrial sites, many local steps, many local steps were taken with each adapted to address site needs and the specific context:

- Introduction of Remote Working Charters.
- Access to childcare services.
- Donation of annual Paid Time Off (PTO).
- On-site presence of a staff welfare assistant.
- Showers and cloakrooms for sports activities.
- Access to a company restaurant.
- Introduction of initiatives to tackle burnout in the workplace.

March 2023 saw **the Services Division** issue a new Quality of Life at Work (QLW) internal survey for all teams, involving almost 500 employee respondents. Participation totalled **87%** versus 82% in September 2021 (last survey). The overall satisfaction rate for QLW came out to 80%, representing a 5-point increase on September 2021.

An employee well-being schedule was introduced in **the United Kingdom**. Each month, this calendar stipulates initiatives to address employees' physical and mental health.

On the back of a lengthy absence, **in Austria**, all employees are offered a one-to-one meeting at regular intervals with their respective managers. In this respect, Austria Email AG has prepared a help guide for managers. These meetings serve to boost working conditions to ensure a pleasant and stress-free return to work for employees.

Two major initiatives were led **in Spain** over the course of 2023.

- Health and wellness training which was trialled by 13 managers. The aim of this course is to learn and practise full breathing exercises (enabling breathing in the diaphragm, the chest and the lungs, in a single breath) which can be used in times of relaxation.
- Under the Bamboo (work-life balance) initiative, GROUPE ATLANTIC Spain offered employees a chance to end their working days at 5:30 instead of 6:00 p.m.

Monitoring indicator:

2023 Group* blue-collar workers rate of absenteeism = 6%*

* France, United Kingdom, Austria, Spain and Turkey

4/4/2/ Promoting physical activity and sport

GROUPE ATLANTIC actively encourages the practice of physical activities and sport by its employees. As such, the Group aims to:

- Advocate a balanced lifestyle for one and all.
- Strengthen ties between teams.
- Make activities challenging, but also fun.

GROUPE ATLANTIC is extending the practice of sports on a company-wide basis, lending its support to many sporting causes at the local and national levels. Last year, this approach was reflected in numerous cross-disciplinary initiatives, across sites:

In France:

- Sponsorship for a crew of students and elite athletes, formed to rival amateur and professional racers alike. 2023 saw the Group's sailing team rub shoulders with some of the biggest names in the 69F cup, before being crowned vice-champions of Europe.
- Teams from the La Roche-sur-Yon** sites sponsored 'La Bicentenaire'. Comprising a series of competitive runs and walks, this sporting event brings together a number of employees and their respective families.
- In September last year, **the Orléans site** formed a partnership with the nearby military base to practise sports (yoga, body-building, cross-fit, self-defence, badminton, etc.). 100 employees then engaged in a sporting activity during the week, at lunchtime or in the evening.
- That same month, **the Vinay site** competed in the Saône inter-company rowing tournament.
- In June of last year, **the Arcueil site** encouraged employees to run the 'royal' and 'princess' races held at the Versailles palace. Twice a week, during lunchtime, the site hosts crossfit and yoga classes.

Other sites:

- GA Spain** continued to endorse a Spanish women's football club as it was made the official sponsor of Madrid Women's Football Club - Madrid Club de Fútbol Femenino (CFF).
- GA Izmir** lends its support to in-house sports clubs (running, basketball, football, etc.).



4/5/ Social dialogue

GROUPE ATLANTIC's policy is to sustain 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.

- In France**, as a result, 271 appointed team employees are in regular dialogue with the respective site management teams. In 2023, on the back of an overhaul to the Collective Agreement on Metallurgy, this sustained dialogue led to 182 meetings with employee representative bodies and 100 collective bargaining meetings, culminating in the signature of 64 agreements. Only one day of strike action was reported for 2023.
- In Austria**, teams are primarily represented by two trade unions. Five agreements were penned in 2023. A monthly meeting (or more if required) takes place between the HR Director and employee representatives.
- In Turkey**, 3 appointed team employees hold regular talks with the respective site management teams. This sustained dialogue led to 18 meetings with employee representative bodies, culminating in the signature of an agreement. No strike action was reported for 2023.
- In the United Kingdom**, 22 elected employees hold regular talks with management. Employee Forum meetings are conducted on a monthly basis, with attendance by representatives from the GMB trade union. The UK subsidiary also arranges monthly updates on health and safety at work. Payroll and salary meetings triggered the signing of an agreement with trade union representatives. No strike action was reported for 2023.

GROUPE ATLANTIC has also established a Group Committee. Once a year, they bring together representatives appointed by trade unions with their members elected to the social and economic committees of the French companies representing the Group. Aside from legal prerogatives of economic information, this employee representative institution is a platform for direct discussion with Group management and for sharing GROUPE ATLANTIC's growth outlook.

KEY PERFORMANCE INDICATOR



98.7%*

OF EMPLOYEES ARE HIRED AT ENTITIES WITH A STAFF AND/OR TRADE UNION REPRESENTATIVE ORGANISATION AS OF 2023.

* France, United Kingdom, Austria, Spain and Turkey



5 Societal challenges

5/1 Business ethics

Considering the international environment in which the Group operates, and in application of provisions governing matters on the fight against corruption and money-laundering as well as recent legislation on personal data protection, the company has undertaken a number of approaches to apply the relevant principles. Combatting corruption and protecting personal data will be discussed in this section.

The Group stepped up efforts kick-started in 2022 to continuously improve its policy for managing business ethics, with a focus on tackling corruption. This undertaking was especially reflected in the establishment of a Compliance team within the Legal Department at the end of 2023.

Against the backdrop of the Russian-Ukrainian conflict, the Group continued the necessary steps to ensure that its subsidiaries, including its Russian locations, comply with the sanctions imposed by the European authorities on Russian legal entities and individuals (and related parties). This involved validating the flow of product sales and purchasing (banning sanctioned products, notably some electronic components), analysing Russian customers and suppliers to terminate specific contracts, and reorganising supplies and production facilities.

5/1/1 Anti-Corruption Charter

The aim of this Charter is to acquaint employees with situations that could be considered as corruption, reminding them of necessary behaviour in such scenarios. This Charter applies to all Group managers and employees. It can be consulted via the Group's website and will be updated to factor in findings from risk mapping.

5/1/2 Personal data protection

Since the European Union (EU) General Data Protection Regulation (GDPR) took effect in 2018, GROUPE ATLANTIC has undertaken organisational and technical measures aimed at protecting personal data and respecting people's rights. GROUPE ATLANTIC appointed a Data Protection Officer (DPO) within the IT Department, establishing joint governance with the Legal Department, so as to uphold the principles of "Privacy by design", i.e., from the moment digital solutions are designed within the Group.

The Group enforces an awareness programme internally which features within new hire onboarding procedures.

Awareness is also raised in-house through a series of Group-wide policies implemented with various stakeholders:

- ✓ A General Data Protection Policy, which applies to all external partners and is published on the Group's websites.
- ✓ Group Employee Policy, rolled out across all our sites.
- ✓ Marketing and Project teams complete personal data protection awareness sessions with a view to practising the GDPR in their day-to-day business.

5/1/3 Cybersecurity

Cyber risk is addressed from several angles at the Group level, in response to increasingly digitalised business activities:

- ✓ Business continuity.
- ✓ Integrity of Group and customer data.
- ✓ Human aspects and awareness of Cyber risks.
- ✓ Cyber risk management throughout the ecosystem.

Reporting to the Information Systems Department, a Cybersecurity Division has run since 2020. It forms a unit of experts and project managers who orchestrate the Group's IT operations coupled with an SOC (Security Operations Centre) which continually monitors the integrity of the company's Information System.



The Cyber Division runs a Cybersecurity programme for the Group's departments, employees and partners, striving to oversee resilient information system (IS) services and infrastructure as well as publish and adopt cybersecurity best practice among employees and partners alike.

To this end, the Cybersecurity Division developed an employee onboarding programme that puts Cyber risk first. This initiative is supplemented by events held during European Cyber Security Month (held annually in October). 2023 saw the Group promote a challenge in French and English for digitally connected employees.

The Cybersecurity team is also involved in projects from the get-go, assisting risk analysis methodologies to recognise security features in the design phase.

With vigilance in mind, the Cybersecurity Division regularly performs intrusion tests, supported by specialist companies testing Information System robustness. Furthermore, this division continues user tests (phishing campaigns) intended to train employees and bolster IT security across the board.

Lastly, crisis management now addresses Cyber risk with processes updated to optimise incident responsiveness; such processes are tested during regular intrusion tests.

5 / 1 / 4 / Whistleblowing Policy



At the end of last year, the Group set up a whistleblowing procedure with various channels made available to all employees. In doing so, staff can now **report breaches of the law and regulations, as well as internal standards and principles and unethical** conduct involving fraud, corruption, harassment and violations of environmental protection.

Under this procedure, the Group activated **the "GA ALERT" platform** to enable stakeholders (employees, suppliers, customers, etc.) to anonymously report any incidents.

GA ALERT notably serves as an additional channel but is not a substitute for other whistleblowing practices such as communicating with managers and HR.

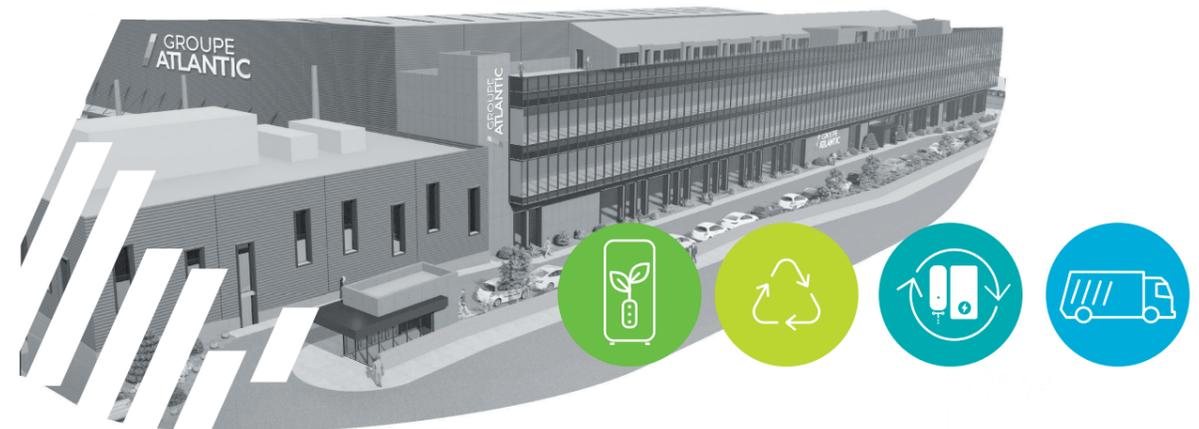
5 / 2 / Purchasing Policy

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:** supplier risk management, compliance with regulatory requirements and innovation.
- ✓ **Demanding referencing process** for all component and raw material suppliers in and outside Europe (regular visits during approval phases). Buyers are mindful of the working 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.
- ✓ **Inclusion of working condition clauses in purchasing 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 (CSR) themes are considered in the best practices guide (ethics, working conditions, environment, respect for suppliers, etc.).

2023 saw the Group's progress in Responsible Purchasing practices made tangible. To date, the Group partners with over 1,503 component and raw material suppliers (63% of those consulted) and more than 157 indirect purchasing suppliers (88% of those consulted) who signed the company's CSR Supplier Charter.

What's more, the Group established a position for a Sustainable Purchasing Manager, tasked with coordinating, running and developing CSR activities with partners.



5 / 3/ Quality

2023 heralded a new drive to champion Quality for Customer Satisfaction:

- The Group has consistently promoted quality for customers, as exemplified by the first of its 7 Group-wide principles to “target excellence for customers”.
- GROUPE ATLANTIC has observed a considerable shift in expectations, with the necessary transition to more complex and expensive thermodynamic/heat pump water heater products, requiring guaranteed quality and greater needs among customers.

To that end, the Group formed a new department, dedicated to **Quality and Customer Satisfaction**.

In May 2023, the new management team started comprehensive reporting for various organisations/sites before recommending a multi-year action plan to General Management. From an industrial standpoint, the action plan will centre on the WeGA approach. Level 1 of the WeGA Quality pillar was strengthened, and WeGA Level 2 is defined to enhance quality - from upstream to downstream - more rigorously, keeping customer interests top-of-mind.

In 2024, further progress is expected for Level 1, characterised by new KPIs, a new “quality crisis” procedure and a shared problem-solving method. From mid-2024, the following projects will be introduced for Level 2: more actively involving suppliers, boosting traceability of ‘cradle to grave’ products and expediting ISO 9000 certification.

Last but not least, a Group Quality and Customer Satisfaction policy is being drafted to bolster Top Management’s engagement levels and involve all business contributors in delivering quality for customers. This policy will draw on 7 Golden Rules aligning both with the 7 founding principles of GROUPE ATLANTIC and the 7 principles of ISO 9000.

5 / 4/ Stakeholder relationships 1/ Patronage and partnerships

GROUPE ATLANTIC seeks involvement in social life, whether through sponsorship or partnerships. In early 2019, **Atlantic Société Française de Développement Thermique** created an endowment fund. This Group endowment fund supports projects that fight energy insecurity with three priorities:

- Assisting with social integration through access to housing.
- Helping to reduce energy consumption and greenhouse gas (GHG) emissions.
- Aiding professional integration through support, education and training in climate control engineering.

The Group’s endowment fund uses the name ‘**Share the warmth**’ in its communications with third parties and partners.

Its main actions for 2023 were completed through in-kind donations. The endowment fund provides practical solutions to real-life problems by supplying adapted appliances for heat, domestic hot water and ventilation.

Throughout last year, ‘Share the warmth’ furthered its collaboration with several non-profits housing vulnerable persons in their properties. Such associations include Habitat et Humanisme, Toit à moi and Lazare. This endowment fund also lends support to charities including Réseau Eco-Habitat and Compagnons Bâisseurs. The latter are directly in contact with individual homeowners from low to very low income households.

In 2023, the GROUPE ATLANTIC endowment fund exceptionally donated 2,300 heaters to the Agence du Don en Nature, thereby benefitting 45 organisations in their network.

On the strength of combined sponsorship donating appliances and skills (equipment installation), Habitat et Humanisme’s Orléans branch received additional support while ensuring that Group employees meaningfully contribute by sharing their technical knowledge and expertise.

Meanwhile, the Group’s **UK Division** joined forces with MACMILLAN Cancer Support. Various fundraising events are organised at the three industrial sites and by the UK Division’s six brands, involving as many colleagues, families and friends as possible. Events include activities such as walks, bike rides, cake sales and raffles.



5 / 4 / 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 courses and programmes to installers and partners.

To date, the Group has 8 training centres internationally and 10 training centres throughout France.

Training is specially geared towards:

- Technical training modules for installation, assembly, start-up, optimisation, maintenance and repair of all its products and systems.
- Training modules to help customers with selling techniques for the general public.
- Regulatory and certification training: QUALIPAC (heat pump units and heat pump water heaters), QUALIBOIS, refrigerant fluid handling, electrical certification, brazing, regulations, Energy-related Products (ErP), France's Recognised Environmental Guarantor (RGE) certification.
- Campus Atlantic: an online training platform.

In addition to these internal training programmes, to improve knowledge of their products and regulations 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]).

The Group also offers tools to facilitate its product sales for installers. These include:

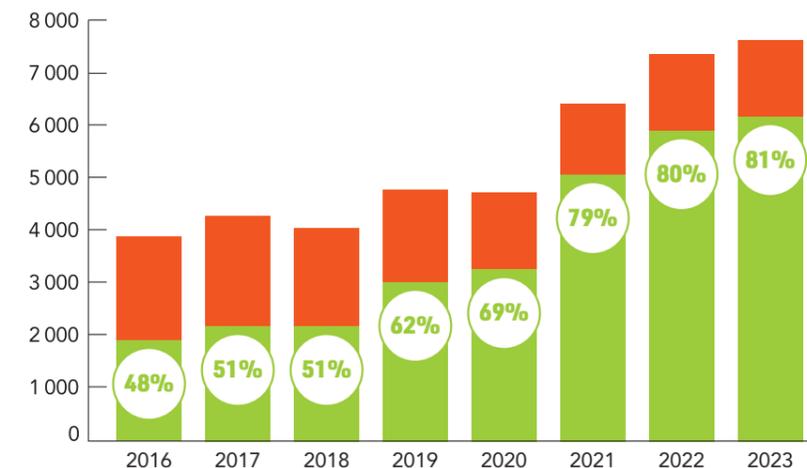
- Platform for Internet support, tablet application, spare parts service, product sizing assistance.
- Educational packaging with rules and best practices for assembly and advice on selecting and installing equipment (individual ventilation).

KEY PERFORMANCE INDICATOR



**2023, FOR FRANCE:
TRAINING CENTRES WELCOMED
7,560 EXTERNAL COURSE
PARTICIPANTS**

This figure surged 63% from 2020, mainly driven by thermodynamic trainings. Last year, such courses alone represented 81% of external training content. To this end, thermodynamic capabilities were extended across all training centres. A number of improvements were made in 2022 and 2023, which will continue in 2024.



Since 2022, the Group has also expanded its digital training package for customers.

The Training Department created 'positioning quizzes' intended for distributor-customers as an aid in their assessment of employee skills. By way of example, in 2022, the Group reviewed 700 TEREVA employees with a view to developing personalised training programmes. GROUPE ATLANTIC distributor-customers can now request this all-new service. The Group issued 344 positioning quizzes last year.

5 / 5 / Creation and retention of positions

This past decade, GROUPE ATLANTIC observed robust growth in its workforce, partly owing to external growth, but also thanks to organic growth and a proactive approach to creating job positions.

In just 12 years, the Group grew from 4,200 to 12,700 employees. Last year presented the Group with a difficult market environment, calling for protection rather than creation of jobs as a top priority in its employment strategy. Number of employees - 2023: 12,217 (vs. 12,700 in 2022) - down - 3.80%.

6 Note on methodology

GROUPE ATLANTIC published its first Sustainability Report in 2019. This document has since been amended in line with the Group's values with the aim of improving and increasing the relevance of the information available to all stakeholders.

Recognising the latest wording of Article L. 225-102-1 of the French Commercial Code ("Code de commerce"), all required subjects were thoroughly examined during preselection before completion to focus solely on subjects deemed significant in view of the company's activities and environment:

- The consequences of climate change on the company's activities and use of the goods and services it provides.
- Societal commitments to sustainable development.
- Societal commitments to the circular economy.
- Collective agreements made within the company and their impact on the company's economic performance as well as employee working conditions.
- Actions aimed at promoting physical activity and sport.
- Actions aimed at fighting discrimination and promoting diversity and measures taken with regard to people 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:

- Societal commitments to combatting food waste.
- The fight against food insecurity and promotion of responsible, equitable and sustainable nutrition;
- Respect for animal welfare.
- Actions to promote the link between the nation and the army and to honour commitments to reserves.

FOR THE 2023 FINANCIAL YEAR, THE DATA USED FOR EACH OF THE MAJOR PILLARS OF THIS REPORT CAN BE BROKEN DOWN AS FOLLOWS:

	INDICATORS	GEOGRAPHICAL CONSOLIDATION SCOPE	ASA % OF TURNOVER ¹² AND A % OF WORKFORCE ¹³
ENVIRONMENTAL CHALLENGES	KPI: percentage of products using renewables in total Group gross turnover	Commercial and mixed companies (industrial and commercial)	98.70% 60.90%
	KPI: Carbon footprint	Contractually listed companies	62.30% 47.97%
	KPI: Number of product environmental declarations	France	55.88% 45.99%
	KPI: Theoretical Waste Electrical and Electronic Equipment (WEEE) collection rate by the environmental organisation - ECOSYSTEM	France commercial member companies	54.16% 19.20%
	KPI: Number of sites covered per year through EcoMundo suppliers consultation	Contractually listed companies	32.41% 60.83%
	KPI: Gas and electricity consumption at the following sites	Ygnis Industrie, SIC, CICE, Ideal Boilers, Austria Email AG, Atlantic Industrie, ACTA Industrie, Ukratlantic, GROUPE ATLANTIC Orléans, Guillot Industrie, E-Module, Cotherm SAS	36.20% 44.67%
	MI: Water consumption	Ygnis Industrie, SIC, CICE, Ideal Boilers, Austria Email AG, Atlantic Industrie, ACTA Industrie, Ukratlantic, GROUPE ATLANTIC Orléans, Guillot Industrie, E-Module, Cotherm SAS	36.20% 44.67%
	MI: Waste generated at the following sites	Ygnis Industrie, SIC, CICE, Ideal Boilers, Austria Email AG, Atlantic Industrie, ACTA Industrie, Ukratlantic, GROUPE ATLANTIC Orléans, Guillot Industrie, E-Module, Cotherm SAS	36.20% 44.67%
	MI: Number of workers with disabilities	France	55.88% 45.99%
	KPI: % of women in the workforce	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%
KPI: % of women in supervisory positions (excluding Board of Directors)	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%	
MI: Gender equality index women/men	France	54.19% 45.95%	
MI: Number of work-study participants	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%	
KPI: Cost of training	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%	
KPI: Overall staff turnover rate	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%	
MI: % of positions filled internally (excluding blue-collar workers positions)	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%	
KPI: Number of accidents on industrial sites	Ygnis Industrie, Société Industrielle de Chauffage, Guillot Industrie, CICE, ACTA Industrie, GROUPE ATLANTIC Orléans, CESC, E-Module, Cotherm SAS, Gledhill Products, Thermotech, ECET, Cotherm Tunisie, Ideal Boilers, Hintastica, GROUPE ATLANTIC Izmir, Austria Email AG, Atlantic Georgia, GROUPE ATLANTIC Teplolux, GROUPE ATLANTIC Slovakia, Ukratlantic, SAWHA, GROUPE ATLANTIC Manufacturing Belgium (formerly Burnsden)	39.18% 73.44%	

12 - Turnover refers to net turnover outside the Group as at 31.12.2023

13 - Workforce refers to permanent positions as at 31.12.2023

	INDICATORS	GEOGRAPHICAL CONSOLIDATION SCOPE	ASA % OF TURNOVER ¹² AND A % OF WORKFORCE ¹³
SOCIAL CHALLENGES	KPI: Frequency rate of accidents on industrial sites	Ygnis Industrie, Société Industrielle de Chauffage, Guillot Industrie, CICE, Atlantic Industrie, ACTA Industrie, GROUPE ATLANTIC Orléans, CESC, E-Module, Cothem SAS, Gledhill Products, Thermotech, ECET, Cothem Tunisie, Ideal Boilers, Hintastica, GROUPE ATLANTIC Izmir, Austria Email AG, Atlantic Georgia, GROUPE ATLANTIC Teplolux, Groupe Alantic Slovakia, Ukratlantic, SAWHA, GROUPE ATLANTIC Manufacturing Belgium (formerly Burnsen), Erensan EIT	39.44% 86.63%
	MI: Severity rate for workplace accidents	Ygnis Industrie, Société Industrielle de Chauffage, Guillot Industrie, CICE, ACTA Industrie, GROUPE ATLANTIC Orléans, CESC, E-Module, Cothem SAS, Gledhill Products, Thermotech, ECET, Cothem Tunisie, Ideal Boilers, Hintastica, GROUPE ATLANTIC Izmir, Austria Email AG, Atlantic Georgia, GROUPE ATLANTIC Teplolux, GROUPE ATLANTIC Slovakia, Ukratlantic, SAWHA, GROUPE ATLANTIC Manufacturing Belgium (formerly Burnsen), Erensan EIT	39.44% 86.63%
	MI: Blue-collar workers rate of absenteeism	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%
	KPI: % of staff representation	France, UK Division, Austria Email AG, Spain and Turkey	82.82% 68.03%
SOCIETAL CHALLENGES	KPI: External customers who received training	France	55.88% 45.99%

KPI = Key Performance Indicator

MI = Monitoring indicator

Throughout 2023, the Group turned its attention to capital expenditure projects, as discussed on page 11. During the 2023 financial year, fewer internal reorganisations took place. Parallel to this, the legal organisational structure was not as streamlined from rationalising the number of companies and concentrating identical or similar activities under commercial reorganisation initiatives.

In France, commercial activities are carried out by:

- SCGA managing the Atlantic, Sauter and Thermor brand networks.
- Société Industrielle de Chauffage representing boiler-heat pump products.
- Atlantic Climatisation et Traitement d’Air Commerce (ACTA Commerce) overseeing ventilation and air conditioning solutions.

The French industrial companies are Atlantic Industrie, GROUPE ATLANTIC Orléans (formerly Thermor), Atlantic Climatisation et Traitement d’Air Industrie (ACTA Industrie), Compagnie Industrielle de Chauffe-Eau (two sites), Société Industrielle de Chauffage (three sites), Guillot Industrie (two sites), Ygnis Industrie (two sites) and E-Module (one site).

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), GROUPE ATLANTIC Manufacturing Belgium (formerly Burnsen) (Belgium), GROUPE ATLANTIC Teplolux (Russia), Austria Email AG (Austria).

Also taken into account were the services companies, either internal – SCGA, GROUPE ATLANTIC SYNERGY, EGIDE – or within the CESC Services Division.

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 financial year, these are not factored into the Sustainability Report.

With respect to social challenges informations, as GROUPE ATLANTIC does not have a single, unified Human Resources Information System, the Group relied on the issue-specific networks of local contacts. It is also important to specify that each entity has control over its own resources and actions.

12 - Turnover refers to net turnover outside the Group as at 31.12.2023

13 - Workforce refers to permanent positions as at 31.12.2023

atlantic

ideal
HEATING

Thermor

Jauter

AE
Austria Email

ACV

G GLEDHILL

TEPLOLUXÉ

YGNIS

THERMIC ENERGY

Hamworthy

ORCON

Triangle
Tube

lazzarini

erensan

Keston
BY IDEAL HEATING

INNOVERT

edesa

PACIFIC
GENERAL

thercon

HAUTEC
Wärmepumpen

ventiline
ROCKWOOL



ATLANTIC
SOCIÉTÉ FRANÇAISE
DE DÉVELOPPEMENT
THERMIQUE (FRENCH COMPANY SPECIALISED
IN THERMAL COMFORT SOLUTIONS)

PUBLIC LIMITED COMPANY

WITH EXECUTIVE

AND SUPERVISORY BOARDS,

AND CAPITAL OF €14,056,662.75

44 BOULEVARD DES ÉTATS-UNIS

85000 LA ROCHE-SUR-YON, FRANCE

562 053 173 LA ROCHE-SUR-YON TRADE

AND COMPANIES REGISTER (RCS)