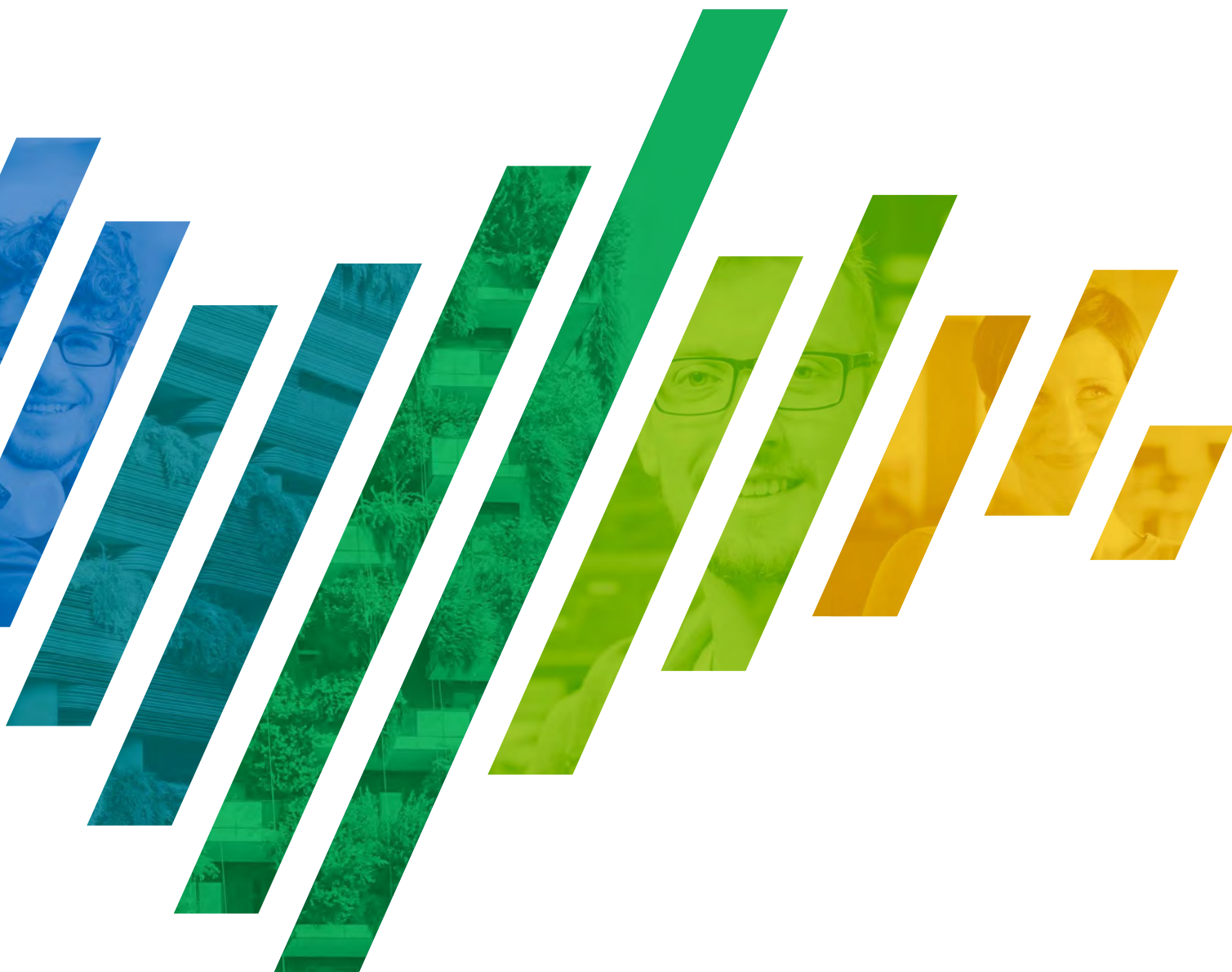


2023 EXTRA-FINANCIAL PERFORMANCE REPORT / 2022 FINANCIAL YEAR



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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 6 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, the Industrial Department, the Purchasing Department, the Innovation/Public Affairs Department and the CSR Department.

2021 saw a further milestone with the creation in September of a Group CSR Department.

The latter is tasked with accelerating the Group's environmental, social and societal practices in the years ahead, both in France and abroad.

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

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

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

1. Products

- Product Life Cycle Assessments (LCAs): Product Environmental Profiles (PEPs) ecopassport® ,
- Monitoring of hazardous substances with suppliers,
- F-gases declaration (quotas on 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 AGECL 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, determine 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 several Group CSR publications: Extra-Financial Performance Report, Sustainable Development Report, CSR Policy Note.

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 2022, the Group scored 55/100 (Bronze), with a four-point improvement on 2021 to finish 10 points above the Manufacturing Industry average (45/100 in 2022). This progress results from formalised Responsible Purchasing practices and the completion of carbon accounting assessments in 2022.

In accordance with legislation on social, environmental and societal information, GROUPE ATLANTIC has used the approaches outlined above to establish this Extra-Financial Performance Report, which includes the following components.



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 climate control engineering products.

GROUPE ATLANTIC has set itself the following mission:

To transform available energies into lasting well-being by creating thermal comfort solutions that are ecologically efficient, accessible to all and suited to individual needs.

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

In order to preserve its ability to grow rapidly and develop a relevant offer for each of its markets, GROUPE ATLANTIC is 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 programmes.



13,000

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

Products are manufactured by plants in France and abroad.

The Group is also present via 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.

- atlantic** A multi-energy product range for residential and tertiary markets all over the world: heating (connected radiators, heat pumps, boilers, etc.), sanitary hot water, air-conditioning and ventilation.
- ideal HEATING** Market-leading manufacturer of domestic condensing boilers for the UK and Ireland, catering to private and social housing markets. Extensive range of commercial wall-mounted and free-standing boilers, designed for UK housing, commercial and industrial applications.
- Thermor** Connected radiators, electric and renewable energy water heaters, swimming pool heat pumps: Thermor is France's leading expert on heat.
- Jauter** Radiators, water heaters and ventilation systems, all easy to install when renovating your home, on sale in France to the mass market.



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



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



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



Floor heating cable and temperature control specialist.



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



German expert in buffer and sanitary hot water (SHW) tanks, which are increasingly installed in a heating and SHW installation using renewable energies (heat pump, thermal solar, biomass, etc.).



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



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



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



Italian-designed radiators and bathroom radiators for European markets.



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



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



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



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



Reversible air conditioning and heating for domestic and industrial use in France.



Heat pumps, air conditioning and air treatment for Belgium's residential and commercial sectors.



German leader supplying low global warming potential (GWP) heat pumps for residential markets (individual and collective).



Solutions providing a complete set of energy-saving ventilation systems for residential and commercial applications.

MARKET, PRODUCTS, CUSTOMERS

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

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

- ▮ National legislation, particularly in terms of construction regulations.
- ▮ Construction development programmes.
- ▮ 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

Climate control engineering products are largely dependent on government 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.

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 Heating.

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 (CO₂).

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 climate control engineering market.

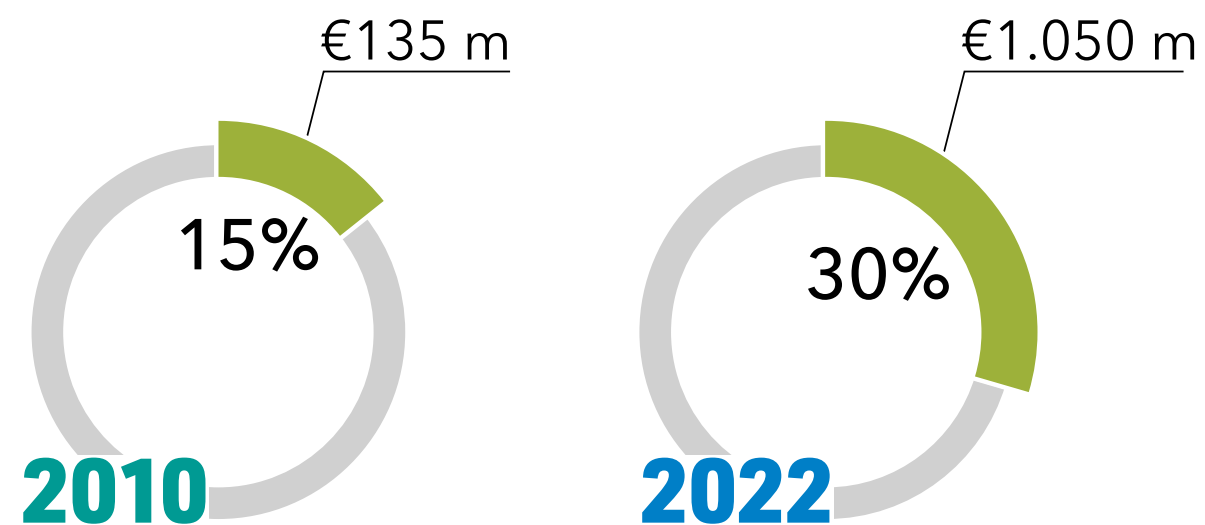
GROUPE ATLANTIC offers a wide range of climate control engineering products, in heating and sanitary hot water (including sanitary hot water equipment) as well as ventilation and air conditioning.

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

BREAKDOWN OF THE ENERGY MIX

GROUPE ATLANTIC is continuing its decarbonisation strategy through ever-developing products using renewable energy (RNE). As a result, the Group's gross turnover from RNE(1) solutions has doubled since 2010, to reach 30% in 2022.

→ KPI:
percentage of products using RNE
solutions from Group total gross turnover.



In the Group's first two Extra-Financial Performance Reports, a turnover breakdown of the energy mix was presented by product type. The presentation of data using the first breakdown is no longer monitored the same way. As such, from the 2021 financial year onwards, GROUPE ATLANTIC decided to use the following KPI in an endeavour to produce relevant energy mix reporting : percentage of net turnover of products using RNE¹ solutions from Group total turnover.

The RNE 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



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 heaters	Gas condensing wall-mounted boiler	Heat pump for heating and hot water	Dual-flow ventilation
				
Bathroom radiators	Thermodynamic/heat pump water heater	Hybrid gas and solar boiler	Hybrid gas and heat pump boiler	One-piece and multi-split air conditioning

COLLECTIVE AND TERTIARY SOLUTIONS

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

CUSTOMERS

The Group's customers primarily stem from two networks:

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

TRENDS AND OUTLOOK

GROUPE ATLANTIC has set itself up for further growth, thanks primarily to the energy and low-carbon transition which has a significant impact on products for the building sector. It plans to support this growth with more economical means of production and by developing new products to address the public's environmental concerns.

The Group stepped up its capex strategy:

- By building a new plant in Istanbul (Turkey);
- By establishing a partnership with Fujitsu General (Euro), the German subsidiary of the Group's long-standing partner - Fujitsu General (Japan) which provides one-piece / multi-split compressors for air conditioning products, through a joint venture based in Billy-Berclau (northern France). This joint venture seeks to design, manufacture and sell one-piece heat pumps running on carbon-neutral gas (propane) to the Group's companies, for their end customers. Production will start in 2023 with the assembly stage;
- Two capex initiatives are underway in Romania, with the first scheduled for mid-2024 at the earliest and the second in early 2025.

In 2022, the Russia-Ukraine conflict entailed major social and economic upheaval for GROUPE ATLANTIC which is industrially and commercially active in both countries.

Russia's destruction of energy production centres, starting in December 2022, penalised production capabilities at the Atlantic-Geyser facility. Activity resumed in part, with product sales arranged by staff able to ensure business continuity. The lack of electricity also affected demand for manufactured products.


The Group backed its Ukrainian staff through various forms of financing and equipment. The latter included participation in humanitarian aid campaigns as well as the act of sending electric generators. This series of initiatives is presented in the 'Social' section of this Extra-Financial Performance Report. Capex and investment were frozen in Russia.

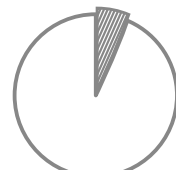
GROUPE ATLANTIC AROUND THE WORLD




13,000
EMPLOYEES


31
INDUSTRIAL SITES


€3.2Bn
NET TURNOVER


4%
OF TURNOVER DEDICATED
TO NEW AND FUTURE
SOLUTIONS



NEW IN 2022:

Industrial sites:

- plant inaugurated in November 2022 (India)
- industrial site construction underway in Istanbul

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

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**



2 Note on methodology

The Group published its first Extra-Financial Performance Report for the 2019 financial year. 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.

In this regard, GROUPE ATLANTIC developed risk mapping to more accurately categorise subjects and risks specific to Group activities.

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 of assessments. This was based on:

- The consequences of climate change on the company's activities and the usage of the goods and services it provides;
- Societal commitments to sustainable development;
- Societal commitments to the circular economy;
- Societal commitments to combatting food waste;
- The fight against food insecurity and commitment to a responsible, balanced and sustainable diet;
- Respect for animal welfare;
- Collective agreements made within the company and their impact on company 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 commitment to a responsible, balanced and sustainable diet;
- Respect for animal welfare;
- Actions aimed at promoting physical activity and sport.

FOR THE 2022 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 ² AND A % OF WORKFORCE ³
SOCIAL CHALLENGES PILLAR	Monitoring indicator: number of workers with disabilities	France	57.49% 43.84%
	Monitoring indicator: gender equality index women / men	France	57.49% 43.84%
	Key Performance Indicator (KPI): Percentage of women in the workforce	France, the UK Division and Austria Email AG	80.27% 59.64%
	KPI: Percentage of women in managerial positions (excluding Board of Directors)	France, the UK Division and Austria Email AG	80.27% 59.64%
	KPI: Overall staff turnover rate	France, the UK Division and Austria Email AG	80.27% 59.64%
	KPI: Cost of training	France, the UK Division and Austria Email AG	80.27% 59.64%
	Monitoring indicator: % of positions filled internally (excluding worker positions)	France, the UK Division and Austria Email AG	46.01% 82.17%
	KPI: Number of workplace accidents (permanent and temporary positions)	Plants ⁴	45.27% 77.74%
	Monitoring indicator: Frequency and severity rates		80.27% 59.64%
ENVIRONMENTAL CHALLENGES PILLAR	Worker rate of absenteeism	Plants (France, the UK Division and Austria Email AG) ⁵	
	KPI: percentage of products using RNE solutions from Group total gross turnover	Commercial and mixed companies (industrial and commercial)	99.19% 81.38%
	KPI: Number of product environmental declarations	France	57.49% 43.84%
	KPI: Theoretical Waste Electrical and Electronic Equipment (WEEE ⁶) collection rate by the environmental organisation – ECOSYSTEM	France Commercial member companies	53.07% 14.73%
	KPI: Number of sites covered per year through EcoMundo suppliers consultation	Contractually listed companies	39.91% 69.23%
THIRD-PARTY CHALLENGES PILLAR	KPI: Carbon accounting	Contractually listed companies	70.80% 49.21%
	Sponsorship initiatives	France & UK	76.80% 55.77%
	KPI: External customers who received training	France	57.49% 43.84%

2- Turnover refers to net turnover outside the Group as of 31.12.2022

3- Workforce refers to permanent positions as of 31.12.2022

4- For details on relevant industrial sites, see page

5- For details on relevant industrial sites, see pages 32 & 33

6- WEEE: Waste from Electrical and Electronic Equipment

The Group continued its internal reorganisation to focus the commercial side of business for France within a single company, namely SCGA, which since April 2022 has overseen commercial activities for the networks of the Atlantic, Sauter and Thermor brands, whose business goodwill was leased under management agreements with the Atlantic French Company Specialised in Thermal Comfort Solutions (Société Française de Développement Thermique), along with GROUPE ATLANTIC Orléans (formerly Thermor). Commercial activity for the Boiler-Heat Pump and Air Conditioning-Ventilation product channels continues to be spearheaded by the following two companies – Société Industrielle de Chauffage and Atlantic Climatisation et Traitement d’Air Commerce (ACTA Commerce).

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) and Ygnis Industrie (two sites).

The main industrial companies outside France, excluding the UK Division, are Atlantic ECET (Egypt), GROUPE ATLANTIC Izmir (Turkey), Erensan EIT (Turkey), Atlantic Georgia (Georgia), Ukratlantic (Ukraine), Burnsien (Belgium), GROUPE ATLANTIC Tepolux (Russia) and Austria Email AG (Austria).

Also taken into account were the services companies (either internal – SCGA, GA SYNERGY, EGIDE – or within the CESC Services Division), as well as the E-MODULE commercial company.

The main UK Division companies are Ideal Heating, 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 Extra- Financial Performance Report.

With respect to company information, as GROUPE ATLANTIC does not have access to the entire Human Resources Information System (SIRH), this is based on networks **of local contacts** relative to each issue considered. It is also important to specify that each entity has **control over its own resources and actions**.



3 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:

SOCIAL CHALLENGES

- EQUALTREATMENT:

- // **Accessibility Policy:** Group policy implemented on different sites with various levels of engagement depending on awareness and possibility
- // Monitoring indicator: number of workers with disabilities
- // **Gender equality**
- // Monitoring indicator: gender equality index

- TALENT RECRUITMENT AND RETENTION:

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

- // Relationships with schools and apprenticeships
- // Internal training for the purposes of 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

- // Monitoring indicators: Frequency and severity rates

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
- // and 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 12 years, the total number of GROUPE ATLANTIC employees tripled, from 4,200 in 2010 to 12,698 in 2022.

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

ENVIRONMENTAL
CHALLENGES

- CONTROLLING THE ENVIRONMENTAL IMPACT OF INDUSTRIAL SITES:

GROUPE ATLANTIC strives to preserve the environment and manage the impact generated by its activities, whether on industrial or tertiary sites. In this respect, compliance with environmental regulations regarding pollution, as well as any action limiting emissions for better management of resources and waste, represent major challenges for the Group, particularly for its industrial sites 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 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; gross turnover from this activity has increased sevenfold in just a decade, accounting for 30% of the Group's overall business in 2022 versus 15% in 2010.

// KPI: Percentage of products using RNE 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 PEP⁷ sheets and overall WEEE⁸ 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 pump products that it sells (heat pumps and air conditioners).

// KPI: Carbon accounting

GROUPE ATLANTIC completed carbon accounting assessments at 18 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.

7- PEP: Product Environmental Profile

8- WEEE: Waste from Electrical and Electronic Equipment



4 Social challenges

In 2022, social activities for GROUPE ATLANTIC were largely characterised by the Russia-Ukraine conflict. From the onset, GROUPE ATLANTIC established a crisis unit, on the one hand, to keep sensitised employees up-to-date on events and their impacts on colleagues based in Ukraine and Russia. On the other, the unit sought to ensure business continuity for industrial and commercial entities in the two affected countries. In practical terms, GROUPE ATLANTIC led multiple initiatives to provide the best possible support for its Ukrainian employees:

- Ukrainian staff redeployed and re-employed at Group sites in France (La Roche-sur-Yon), Germany and Georgia, coupled with remote working measures;
- Remote support for the international HR team, in the form of recruitment, training and defined action plans on the back of Group employee consultation sessions held in January/February 2022;
- Help for certain Ukrainian employees to attend in-house Group seminars that took place outside Ukraine;
- Full or part of salaries maintained for employees across the board, regardless of plant activities;
- Launch of large-scale solidarity-based endeavour to give a helping hand to the people of 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.

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

 Arnaud Rollin - HRD GROUPE ATLANTIC

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



In France, to celebrate the European Week for the Employment of People with Disabilities (EWPD), a number of awareness campaigns were conducted across the country's sites from 14-18 November, 2022. Such actions aimed to help address the way people perceive disability.

- At our [Merville](#) and [Billy-Berclau](#) sites, employees volunteered to take part in the Hauts Lympics Games – a series of locally run paralympic games – not to mention involvement in other activities such as the visit of an ESAT (France's non-profit organisations facilitating employment for people with disabilities) and workshops centred on the topic of disability.
- At the [La Roche-sur-Yon](#) and [Nantes](#) sites (GA Synergy), employees completed a range of awareness sessions through the hosting of webinars, games competitions, escape games on types of disability, as well as mini board games. Three interns with disabilities learned about our Finance, Payroll and Human Resources businesses. This event was a special moment, shared between our teams and the three interns who subsequently validated their career plans.

At our [La Roche-sur-Yon](#) site (Atlantic Industrie), scratch cards and quizzes were provided with prizes awarded by an ESAT, and a challenge arranged to support the Ligue contre le cancer charity. Meanwhile, at our [Pont-de-Vaux](#) and [Boz](#) sites, employees were tasked with discovering clues via games to increase disability awareness. By the end of the week, the goal was to uncover a secret code word.

- The [Fontaine](#) site marked the occasion of DuoDay, France's "Job Shadowday", – an initiative enabling a person with a disability to spend the day in a professional setting. In this spirit, the plant opened its doors to Laurent, Grégory and Jonathan, three workers from an ESAT in Les Hauts de Belfort (eastern France), with whom the site regularly conducts business. Respectively, the trio joined up with our HSE, Quality and Logistics teams. This collaboration afforded an excellent opportunity for employees and managers to heighten their disability awareness, and address their perceptions.
- At the [Orléans](#) site, a dyslexic employee shared their personal experience while breakfast and snack sessions were organised by an ESAT.
- The Fontaine and Saint-Louis sites teamed up with a local non-profit – Défis 90 – which promotes sport as a catalyst for social inclusion by integrating people with disabilities. The Group's employees partnered up with the "Défis des Hauts de Belfort", an annual solidarity run event for people with disabilities. In 2023, this partnership was renewed.



- As part of its Handi-Accueil (Accessibility) Policy, and **in cooperation with the Disability Confident organisation**, our Group presence **in the United Kingdom** works to improve how the site attracts, recruits and retains employees with disabilities.

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



Debbie Skalli - HRD GROUPE ATLANTIC UK & ROI

- In Turkey**, the Group's employees received sign language training. Some twenty employees learned how to use sign language and communicate to people with hearing loss.



NUMBER OF EMPLOYEES WITH DISABILITIES

IN 2021⁹, GROUPE ATLANTIC, IN ITS COMPANIES*:

In France / GROUPE ATLANTIC employs **134.16 full-time equivalent workers with disabilities** (+18 people vs. 2020)

In Austria / Austria Email AG employs **22 people with disabilities**, representing a disability level equal to 50%.

In Russia / 8 workers with disabilities were employed at GA Teplolux.

In Spain / **by law, 2% of the workforce** is required to have a recognised disability level. GROUPE ATLANTIC España meets this requirement.

9- Given the period of data availability, we are unable to provide information for the 2022 financial year.

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.

In 2022, the Group scooped the Forbes/Statista "World's Top Female-Friendly companies" prize, placing 122nd worldwide (survey conducted among women employees on a range of topics covering gender equality opportunities for promotion, training and parental leave).

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.

In other countries where the Group operates, local initiatives exist to champion access to technical business fields for women and to break down barriers and prejudice.

- The Hull site in the United Kingdom** participated in the WiME (Women into Manufacturing and Engineering) event to present and promote job opportunities in the manufacturing and engineering industries to women in the region.
- In Austria**, Austria Email AG took part in an initiative known as "Girls Day". Its purpose: to encourage students – and particularly women students – from secondary schools to pursue careers in the STEM (Science, Technology, Engineering, and Maths) and crafts fields.
- In Poland**, employees of GROUPE ATLANTIC Polska signed **a contract notifying them of the following: a policy on equal treatment** of staff and a ban on discrimination and preferential treatment in the workplace. In particular, the latter refers to sex, age, disability, race, religion, nationality, political opinions, trade union membership, ethnic origins, beliefs, and sexual orientation.
- In Spain**, GROUPE ATLANTIC España unveiled its first-ever equality plan in 2022. Initiatives include awareness workshops for employees aimed at stopping violence in the workplace and the introduction of an inclusive language guide at work.

→ **KPI: In 2022, the percentage (%) of women in the workforce** stood at **29% for France, the UK Division and Austria Email AG.**

→ **KPI: In 2022, the % of women in managerial positions** (excluding the Board of Directors) was **18% for France, the UK Division and Austria Email AG.**

GENDER EQUALITY INDEX¹⁰ THIS INDEX ONLY APPLIES TO GROUPE ATLANTIC'S FRENCH COMPANIES. IN 2022, GROUPE ATLANTIC OBTAINED THE FOLLOWING SCORES:

88/100
ACTA INDUSTRIE
(Meyzieu)

83/100
ATLANTIC INDUSTRIE
(La Roche-sur-Yon)

88/100
SCGA
(Bourg-la-Reine)

86/100
CICE
(Saint-Louis and Fontaine)

85/100
GUILLOT INDUSTRIE
(Pont-de-Vaux)

87/100
ACTA
Commerce (Meyzieu)

84/100
GA SYNERGY
(La Roche-sur-Yon)

78/100
SIC
(Merville and Billy-Berclau)

83/100
GA ORLÉANS
(Saint-Jean-de-la-Ruelle)

86/100
COTHERM
(Vinay)

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

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

/ The 2022 index for CESC and Ygnis Industrie cannot be calculated.

BREAKDOWN OF POINTS OBTAINED BY CRITERIA - COMPANIES WITH 250+ EMPLOYEES

INDICATORS	ACTA INDUSTRIE	ACTA COMMERCE	ATLANTIC INDUSTRIE	GA SYNERGY	SCGA	CICE	SIC	GA ORLÉANS
1 - Salary gap [40 points]	38	37	38	39	38	36	38	38
2 - Individual salary increase gap in % points [20 points]	20	20	20	10	20	20	20	20
3 - Promotion gaps, in % points [15 points]	15	15	10	15	15	15	5	0
4 - Percentage of salary increases on return from maternity leave [15 points]	15	15	15	15	15	15	15	15
5 - Number of employees from the under-represented sex in the ten highest-paid positions [10 points]	0	0	0	5	0	0	0	10
Total out of 100	88	87	83	84	88	86	78	83

INDICATORS	GUILLOT	CESC	YGNIS	COTHERM
1 - Salary gap [40 points]	37	Incalculable	Incalculable	33
2 - Individual salary increase gap in % points [20 points]	35	15	35	35
3 - Promotion gaps, in % points [15 points]				
4 - Percentage of salary increases on return from maternity leave [15 points]	Incalculable	15	Incalculable	Incalculable
5 - Number of employees from the under-represented sex in the ten highest-paid positions [10 points]	0	5	5	5
Total out of 100	85	Incalculable	Incalculable	86

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 and work-study participants (sourcing) and, in the long term, to develop partnerships and the employer brand in GROUPE ATLANTIC's drive to favour future recruitment.

In the United Kingdom, the UK Division recruited 14 new apprentices for its Engineering, Quality and Finance Departments over the course of 2022. They will complete four years of training at one of the Group's sites and in a classroom.

The UK Division is also a strategic partner of **Ron Dearing UTC**: this establishment offers a unique approach to education for 14 to 18-year-olds, and supervised apprenticeship with an employer specialising in engineering, creation and digital technology. 2022 saw GROUPE ATLANTIC strengthen its governance and forge partnerships of an educational and commercial nature.

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.

At the "Women of Achievement" ceremony held on 11 November 2022, three women employees from the UK Division were recognised for their career choices, along with their contribution to industry, their experience and their expertise. This celebratory event was arranged by Women in Business, a non-profit that aspires to advance careers for women.

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

- **Partnerships with 30 schools:** 7 student visits to our plants, 1 supervised project, 30 forums and trade shows (11 virtual), 17 meetings with school Professional Connections Departments, 11 student conferences on GROUPE ATLANTIC businesses and 2 job interview simulation workshops.
- **Financial support to 61 schools,** via France's vocational training tax ("taxe d'apprentissage"), contributing a total of €153,720 in 2022.
- **The '1 day/1internship' programme** is a two-day initiative for choosing the future interns of the Group's various sites. This day offers the students selected a practical opportunity to learn about our business fields and available internships (testimonials from former interns, meetings with managers) and provides creative workshops for designing the products of the future.
- **The recruitment drive for work-study participants** focused on six immersive selection days, enabling students to discover the Group's businesses and job opportunities.
- **In 2022, our Young Graduates programme** welcomed 51 young engineering graduates at various GROUPE ATLANTIC sites (France and abroad), creating a talent pool that can evolve within the Group. This three-year scheme gives these recent graduates a chance to become part of the Group and reap the benefits of a special support programme.
- **'Business field ambassador'** employees act as the link between managers and students from the Group's partner schools, to lead meetings (first-hand accounts and school forum participation and projects).





■ In 2022, the Group boosted its engagement with its student communities:

15 job search workshops in partnership with APEC (France's Agency for the employment of Executives and Managers), 1 LinkedIn workshop, sponsorship of a new intern or work-study participant by an intern or work-study participant from the same site, 2 Trainee Days at the Arcueil site to encourage meetings between our 141 invited students, and a virtual forum to connect 40 recently-trained young people to talent-seeking GROUPE ATLANTIC managers.

Once again, in 2022, the Group won the '[ChooseMyCompany.com](#)' award. This distinction recognises management excellence and the high motivation of interns and work-study participants. The overall grade was 4.21/5, with a recommendation rate of 93.1%. With its 66% survey response rate, the Group placed in the Top 10 for this metric.

In [Austria](#), Austria Email AG worked closely with the Graz University of Applied Sciences on apprenticeship contracts. To date, 10 apprentices have received training. Half of them are women. Virtual meetings are also organised with schools in the region to present the company and positions available to both students and their parents.

In [Spain](#), GROUPE ATLANTIC España teamed up with two Barcelona-based universities. Thanks to these partnerships, in 2022, the Group recruited three interns in Marketing, Pre-Sales and Human Resources positions.

In [the Netherlands](#), the GA Nederland recruitment teams continued efforts to work hand-in-hand with a number of [Applied Science Universities](#) in an endeavour to hire interns. GA Nederland took part in a "Jongeren bedrijven dag" ("Company Day for Secondary/High School Students"). This special one-day event seeks to introduce young people to a range of company practices, providing general insights into possible career pathways.

4 / 2/2/ Apprenticeships

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

■ Number of work-study participants in 2022: 304 for France, the UK Division and Austria Email AG

In 2022, the Group recruited 157 work-study participants, a 70% increase on 2021, which reflected a firm commitment in this area.

For 2022, the Services Division created [an Academy for Refrigeration Engineering](#), proposing a certified six-month work-study course to obtain a Certificate of Parity in Metallurgy (CPQM) as a "Heat Pump and Air Conditioning Maintenance Technician".

With their vastly different backgrounds and no professional prerequisites, the seven interns were supported by a motivated tutor offering one-to-one coaching throughout the course. They successfully completed the course in conjunction with the Industry Apprentices Training Centre located in Moirans (southeastern France – the Isère department's Training Division). All seven course graduates then proceeded to join up with the teams at the Technical Manufacturer Service (Rhône Alpes region) and Technical After-Sales Customer Service (Meyzieu).



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



In [Russia](#), the Group welcomed 13 interns last year through its partnership with Mytishchi college (Колледж мытищинский машиностроительный).

Upon completion of their internship, one of the participants signed a permanent contract in the Group's Research and Development Department.

4 / 2/3/ Diversity

As part of its Recruitment Policy, GROUPE ATLANTIC focuses on integrating people from diverse backgrounds and promoting awareness of the Group's businesses and expertise by building on its local roots and engaging its employees first-hand.

■ For the first time, in 2022, GROUPE ATLANTIC partnered up with the "Réseau Etincelle" non-profit organisation. The latter concentrates efforts on helping young people who left school prematurely to reintegrate into the system from a socio-professional standpoint.

At the La Roche-sur-Yon site, as a partner company, [GROUPE ATLANTIC Synergy](#) provided meeting rooms free of charge in two instances. The aim of this initiative was to bring together around fifteen young people from the Vendée department (western France), aged between 16 and 25, to complete a six-day training course. For the duration of the course, these young participants were supported by trainers who are also members of "Réseau Etincelle". Their educational methods assist young people in developing a career plan and gaining practical insights into what is expected from employers as well as the codes of the world of work.

Last year, the Group also arranged a visit to the La Roche-sur-Yon plant.



GA SYNERGY: HOST COMPANY AT CRÉYON

ITS PURPOSE:
TO SUPPORT YOUNG PEOPLE
WHO LEFT SCHOOL PREMATURELY.

FIFTEEN OR SO YOUNG PEOPLE,
AGED BETWEEN 16 AND 25



■ What's more, in 2022, GROUPE ATLANTIC received recognition from Forbes as one of its "World's Top Female-Friendly companies". The award follows an independent audit conducted by the Forbes group, with a focus on working conditions and the status of women within the company.



4 / 2/4/ 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 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

As regards social media, to expand the Group's reach in 2022, GROUPE ATLANTIC took several steps:

- **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

The number of GROUPE ATLANTIC followers surged 242% on all three of its social networks (LinkedIn, Facebook and Instagram), totalling 98,155. The number of impressions¹¹ was up 55.4% versus 2021, with an engagement rate¹² of 1.5%.

2022 also saw the Group kick-start a new communications campaign – "New GAneration" – on all its social networks, which was launched locally in the operating regions of GROUPE ATLANTIC sites.

In 2022, for the 14th time, the Group was named **Top Employer in France**.

¹¹- Number of impressions equals the number of times a publication has been displayed

¹²- The engagement rate is the ratio between the number of interactions (likes, shares, views, comments) and the number of people who read the post

CHOISEUL

In its ranking of the 200 medium-sized companies that serve to showcase the French economy, **Institut Choiseul France** acknowledged GROUPE ATLANTIC in its **Human capital advocates** category, underlining the Group's role in boosting the labour market, through its effort to attract fresh talent and in the way it develops forward-thinking Human Resources strategies.

In the Netherlands, GA Nederland implemented a "Recruitee" **Advanced Tracking System (ATS)**. This process serves to streamline and professionalise recruitment. It also helps to deliver a better candidate experience: enhanced streamlining provides deeper insights into how the Group is structured. This ensures fast response times with easier updates to job opportunity pages, offering candidates and applicants a clear overview of vacancies. 18 employees were successfully hired in 2022, as part of a 50-strong team.

4 / 2/5/ Internal training and upskilling

HR Policy aims to develop the skills of 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 throughout their professional careers.

In 2022, GROUPE ATLANTIC stepped up its training packages, providing new courses that were originally developed in 2021 and featuring novel formats on subjects such as psycho-social risks and emotional intelligence.

Since 2020, the Group has rolled out WeGA – Ways to Excellence at GROUPE ATLANTIC – as well as its **WeGA Academy**. With this in mind, in 2022, the Group coordinated more than 60 combined training courses for industrial site employees, not only in France but also worldwide.

The **WeGA Academy** courses enable employees to develop their operational skills based on the seven WeGA pillars, namely: Safety; New Product Introduction (NPI); People Development; Quality; Supply Chain & Purchasing; Production System; and Economic Performance.

Over the last year, **the supplychain Academy**, which focuses on supply chain professionals, created new modules. The latter include: supplychain awareness for directors in all sectors and resumption of specialist supply and sourcing training, both in France and abroad.

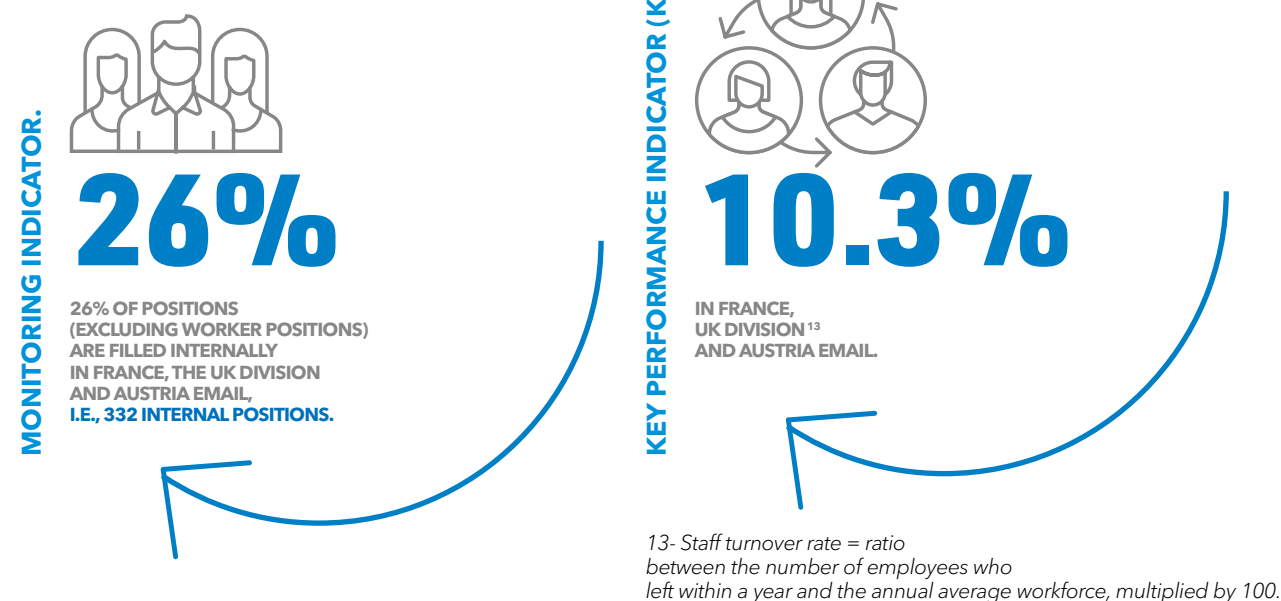
Moreover, the Group is committed to providing a more comprehensive package across **its international sites**. Employees the world over can already access some training courses in English. These include: the Management Development Programme (equivalent to the 'Pépinière Managers' course) for young managers, the Expertise Programme for Group experts, and the Bootcamp Programme for directors. 2022 was characterised by an acceleration in remote and in-person training sessions for the Group's international employees, with a focus on change management, feedback as well as performance evaluation and development interviews. In 2022, the Group introduced an all-new development course – '**From Leader to Mentor**'. Bringing together 18 interns, this course concentrates on self-development and how to upskill teams and the Group as a whole.

Lastly, the digitisation of Group training packages was ramped up, thanks to the establishment of a new Campus. To that end, we increasingly develop e-learning modules via our 'Campus GROUPE ATLANTIC' platform. This takes the form of either independent training modules or follow-up courses to in-person training which intend to further development.

In 2022, despite the complex health crisis, GROUPE ATLANTIC invested 3.69% of its payroll in France on professional training and skills development. This was reflected in 11,987 intern training days (excluding digital), an increase of 14% from 2021.

→ KPI:
Cost of training in 2022 for France,
the UK Division and Austria Email, which totalled €7,820,423

INTERNAL MOBILITY IN 2022



4/3 Safety and working conditions

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

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:

- / Machinery risk;
- / Fire risk;
- / Risk relating to the involvement of external companies;
- / Electric risk;
- / Road risk;
- / Safety culture;
- / Chemical risk;
- / Risk of lifting and falling loads;
- / Risk working from heights;
- / Risk related to workflow and traffic;
- / Environmental risks.

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. To this end, based on 66 criteria in 2022, the level of maturity observed in all the Group's industrial sites scored a rate of 99%. For 2022, the Safety Club focused on standardising tools and sharing training courses.

Last year, safety training was specifically delivered across our sites:

- / Safety essentials for managers;
- / General Safety Induction;
- / Workplace first-aiders;
- / Electric stackers;
- / First responders;
- / Cable clamps;
- / External company contractors.

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.

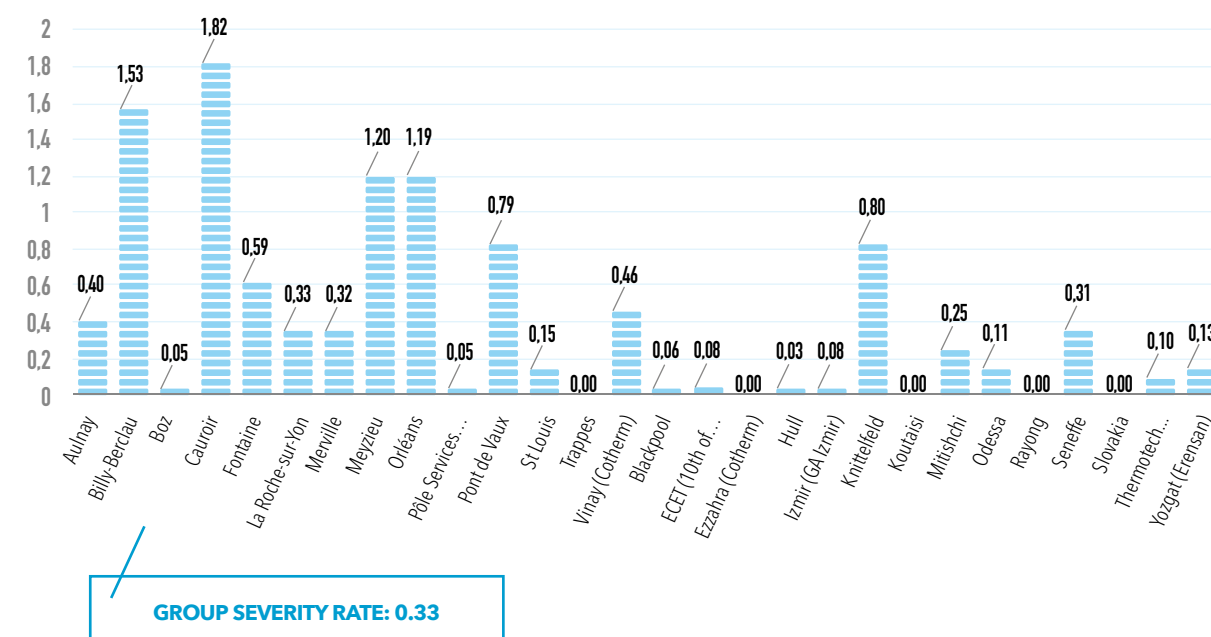
More specifically, here are examples of initiatives across our sites which illustrate GROUPE ATLANTIC'S approach:

- Daily health services:** a nurse is present on-site to manage employee health needs (regular care, vaccinations, medical appointments, nurse appointments, additional testing, hearing tests, etc.) and to raise risk awareness of workplace accidents (La Roche-sur-Yon, Merville, Orléans and Saint-Louis). At the Saint-Louis site, medical examinations were performed directly on-site.
- 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.
- Prevention of MSD (Musculoskeletal Disorders):**
 - Gradual roll-out of warm-up exercise sessions before work and stretching after work (La Roche-sur-Yon and Orléans sites);
 - A Posture and Motion training programme for all site employees (Orléans site);
 - 60% of operators in manufacturing are trained in warm-up exercises (Cauroir site);
 - Recruitment of three ergonomics specialists, one for each site in La Roche-sur-Yon, Orléans and Merville-Billy Berclau, to rate the positions and improve those with the lowest score.

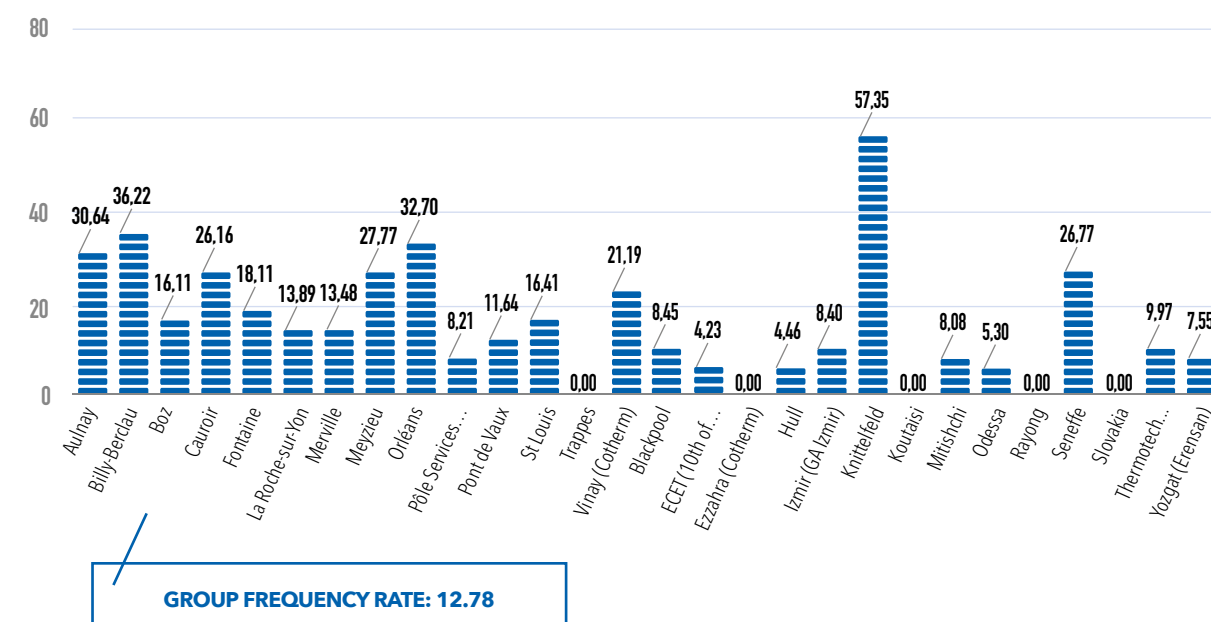
→ KPI: Number of workplace accidents.

In 2022, the Group's plants worldwide reported the following results:
293 people injured (vs. 288 in 2021)
including permanent and temporary staff.

WORKPLACE ACCIDENTS: SEVERITY RATE IN THE LAST 12 MONTHS (PERMANENT AND TEMPORARY STAFF)



WORKPLACE ACCIDENTS: FREQUENCY RATE IN THE LAST 12 MONTHS (PERMANENT AND TEMPORARY STAFF)



4/4/ Quality of Life at Work

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

4/4/1/ Improving workplace well-being

Many local steps have been taken, with each adapted to address site needs and the specific context:

- Introduction of Remote Working Charters;
- Concierge;
- 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;

Since September 2019, the Group's Services Division has implemented a **network of Quality of Life at Work and Working Conditions (QVCT) ambassadors** within its various entities. A total of 13 employees meet on a quarterly basis to discuss their practices and initiatives. Communication, via a **quarterly newsletter**, is deployed to share best practices on QVCT topics among the largest possible number of people with a presentation of meaningful achievements (zen/relaxation room, workplace noise and acoustics, non-violent communication, suggestion box, Christmas Tree Policy, training opportunities, schedule management, etc.). In 2022, at the request of certain departments, **Quality of Life at Work Days** were arranged to share specific difficulties experienced as well as to devise potential solutions.

- A brand-new Intranet, CECIL, was launched **in the United Kingdom**. It features a wealth of information on employee well-being and specifies upcoming monthly events to address employees' physical and mental health with a schedule for events concerning payroll and salaries.
- 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. The aim of these meetings is to adapt working conditions to ensure a pleasant and stress-free return to work for employees.
- For 2022, a Remote Working Policy was introduced **in Spain**, with employees able to work flexi-time upon arrival in the office. These measures are supplemented by a Charter on the Right to Disconnect. Paid time off (PTO) in addition to statutory leave, as well as free life and health insurance after completion of the trial period, now form part of our employee benefits.
- **In Russia**, additional vending machines were installed to diversify the choice of available meals. To cope with the hot summer months, for the first time in 2022, two ice machines were fitted into the offices.
- **In the Netherlands**, for 2022, GA Nederland adopted a Remote Working Policy coupled with flexi-time measures.

4/4/2/ Guaranteeing employee satisfaction at work

To take on the challenges of Quality of Life at Work, GROUPE ATLANTIC performs assessment through a satisfaction survey of all employees, both in France and abroad. This survey is administered by an external organisation (OBEA), ensuring the anonymity of the responses and the validity of the results obtained. It is conducted every four years, with subsequent action plans based on results. The most recent satisfaction survey was conducted in January-February 2022.

Internal employee satisfaction survey results for 2022:

- 10,000+ employees interviewed across 70 sites, in 17 languages;
- 86% participation rate;
- **91% of employees are happy to work for GROUPE ATLANTIC;**
- 46% of results showed improvement.

Perception of GROUPE ATLANTIC

GROUPE ATLANTIC is perceived as a robust group, inspiring tremendous confidence in its future. This was the best rated category. Employees are united by a strong corporate culture which is a genuine reflection of our seven fundamental principles.



Involvement and commitment

Employees demonstrated that they are committed, loyal and fully-fledged ambassadors of GROUPE ATLANTIC.



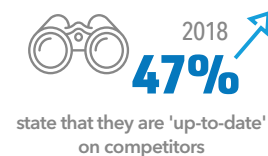
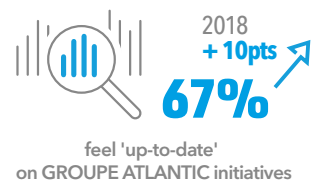
Team work and security

These categories also reported excellent scores, with day-to-day work carried out at a consistently high level of satisfaction, satisfactory working relationships – both locally and inter-departmentally – and managerial practices that are generally moving in the right direction.



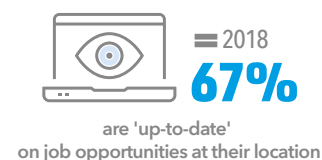
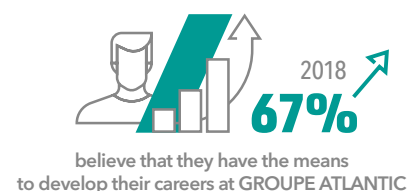
Information – Communication

With results underscoring the two largest increases between 2018 and 2022, this category enjoyed the biggest improvement thanks to notable progress in communication on GROUPE ATLANTIC projects and the activities of other divisions.

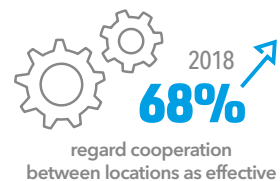


Personal development

Although the possibilities for on-the-job training and education also achieved excellent scores, the effective potential for personal development appears more limited with a lack of visibility on in-house positions.



Areas for progress



Worker absenteeism

Monitoring indicator: In 2022, the worker rate of absenteeism totalled 9% for France, the UK Division and Austria Email AG.

4/4/3/ 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:

- Sponsorship for a crew of students and elite athletes, formed to rival amateur and professional racers alike. Actively engaged employees took part in a global sailing competition, on a foiling monohull. Together, they topped the European championship in their category. In Barcelona, during the month of November 2022, the crew competed in the final of another championship – namely the Youth Golden Foiling Cup – finishing second.
- 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.
- Several sites vacated rooms, changing rooms and showers in an effort to facilitate sporting activities practised by employees throughout their lunch break.
- [GA Spain](#) sponsors Spanish women's football. Effective since August 2021, in Spain, the Thermor brand has financially backed the official Madrid Women's Football Club – Madrid Club de Fútbol Femenino (CFF).
- Participation in the 2022 Habitat et Humanisme solidarity fun run, involving 200-plus employees across all GROUPE ATLANTIC sites.



4/4/ Fostering collaboration

Striving for continuous improvement, GROUPE ATLANTIC seeks to involve all of its employees in its 'innovation' approach. In their own business field and position, each individual is then able to contribute to improving products, processes and customer satisfaction within the Group.

Collaborative initiatives include:

- On our sites, the Autonomous teams the **Progress Autonomous Units Teams (GAPs)** on projects intended to improve safety, quality and productivity in the workplace.
- The **role of GAP leaders** is now validated by a professional qualification, the Certificate of Parity Qualification in Metallurgy (CPQM), 'Leader of Independent Manufacturing Team', recognised at a national level.
- Some Group sites, particularly the industrial ones, have already created **FAB LABs**, which are designated spaces for employees to develop prototypes and model solutions. Examples include:
 - The Group's support services at La Roche-sur-Yon sustain and enhance their space for sharing and exchanging best practices. This is the FAB LAB, known as: 'Le Cré'Yon'. The purpose of this space is to encourage employee creativity by providing tools and coordinating workshops, all in an environment that fosters innovation.
 - The Meyzieu site started using the LAB Services to boost ideas for new services. This included the creation of an internal application for departments as well as videos for customers.
 - In the same spirit, the Izmir site, in Turkey, has developed a 52m² Fab Lab, located in a GROUPE ATLANTIC Laboratory. It is a creative hub in which all employees can coordinate, model and develop their ideas.
- The **'Managers, Drivers of Group Innovation' programme** helps experienced managers to build on their collaborative management expertise and interpersonal skills.



4/5/ Social dialogue

GROUPE ATLANTIC's policy is to 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, 201 appointed team employees are in regular dialogue with the respective site management teams. In 2022, this sustained dialogue led to 193 meetings with employee representative bodies and 106 collective bargaining meetings, culminating in the signature of 43 agreements. No strike action was reported for 2022.
- Our Austrian** team are primarily represented by two trade unions. Five agreements were penned in 2022. A monthly meeting (or more if required) takes place between the HR Director and employee representatives. No strike action was reported for 2022.
- In the United Kingdom**, 13 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 2022.

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.



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.

At end-2022, the Group kick-started efforts to continuously improve its policy for managing business ethics, with a focus on tackling corruption. Initial results will be available for analysis in 2023, with support from an expert service provider. The latter will deliver an IT platform capable of centralising mapping and action plans to oversee compliance.

Against the backdrop of the Russia-Ukraine conflict, GROUPE ATLANTIC developed the resources required to perform consistently with the sanctions imposed by European authorities on Russian private individuals and legal entities (including related parties) by its subsidiaries, which also applies to Russian entities. Deployed resources centre on approval of product sales and purchasing volumes (removal of sanctioned products, particularly electronic componen as well as analysis of Russian customers and suppliers involved in contract terminations, and restructuring of supplies and production sites.

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.



5/1/2 Personal data protection

Since the European Union (EU) General Data Protection Regulation (GDPR) took effect, GROUPE ATLANTIC has enjoyed a reasonably complete overview of the personal data used within its services and subsidiaries alike.

Internal awareness is progressing in accordance with information updates, and two charters have been drafted and rolled out:

- A General Data Protection Policy, which concerns customers, 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.

The Group has added a Data Protection Officer (DPO) to its IT team.

5/1/3 Cybersecurity

In celebration of the European Cybersecurity Month (October 2021), GROUPE ATLANTIC turned its attention to bolstering best practices on information system and cyberattack risks. With this aim, the Group initiated a challenge in French and English to digitally connected employees.

Four cybersecurity best practices were shared on a weekly basis with employees encouraged to sit a knowledge recap quiz. The additional purpose was for staff to learn how to protect their personal data online. The challenge, which attracted almost 800 employees, ended with a webinar in early November. This was moderated by our Cybersecurity team.

The Cybersecurity team has also kicked off awareness workshops for the Group Manager community to factor this risk into their activities and projects.

Aware of the need for high vigilance, our Cybersecurity team performs intrusion tests and phishing campaigns in a drive to train our employees and elevate the general level of IT security.

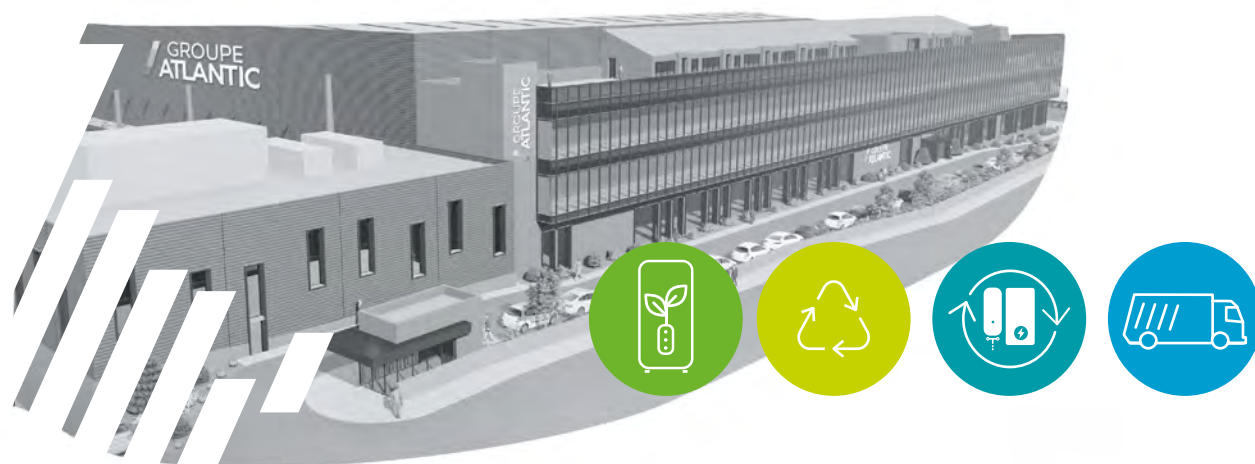


5/2/ Purchasing Policy

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 themes are considered in the best practices guide (ethics, working conditions, environment, respect for suppliers, etc.).

2022 was characterised by significant progress in our Responsible Purchasing practices: we notably drafted a Supplier Purchasing Charter and applied it to supplier audits; we also developed a new assessment grid to consider socio-environmental factors.



5/3/ Stakeholder relationships 1/ Patronage and partnerships

GROUPE ATLANTIC seeks involvement in social life, whether through sponsorship or partnerships. Such involvement is organised into two areas:

- ✓ Contributions as part of the Group's endowment fund or through local initiatives in the region;
- ✓ Involvement in Research and Development programmes, as well as in the implementation of sustainable development projects.

Atlantic Société Française de Développement Thermique created an endowment fund to combat energy insecurity as a result, starting in 2019.

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 2022 were completed through in-kind donations. GROUPE ATLANTIC's endowment fund provides practical solutions to real-life problems such as no house heating. In doing so, the Group supplies those in need with adapted heating and sanitary hot water.

Throughout 2022, 'Share the warmth' stepped up its Habitat et Humanisme partnership with support for multiple initiatives:

- ✓ Supply of products for the residences administered by Habitat et Humanisme in the Greater Paris (Île-de-France), Normandy and Alsace regions.
- ✓ Participation in the "l'Heure Solidaire" event. During this event organised by Habitat et Humanisme, the aim is to devote one hour to the association when the clocks change in October, in order to discuss the charity, collect donations and appeal to volunteers. In 2022, the Group's endowment fund backed the event by organising a fun run within GROUPE ATLANTIC. Our employees completed more than 6,000 km (3,728 miles), donating a total of €6,000 to Habitat et Humanisme.

What's more, 'Share the warmth' furthered its collaboration with Compagnons Bâisseurs, notably through training delivered on dual-flow ventilation products, heat pump water heaters and electrical certification. 50 water heaters were also donated to Solibat France.



2022 saw the Group's endowment fund lend its support to additional non-profit organisations in France. These include Solidarités Nouvelles pour le Logement; Réseau Eco-Habitat; Lazare; and Toit à moi. In this spirit, it should be noted that the Group supplied 35 water heaters for Halte des Femmes (women's drop-in daycare centre) in collaboration with the French non-profit, Alynea.

In 2022, GROUPE ATLANTIC also delivered 200 convectors from its Odessa site to the Ukrainian non-profit organisation « Fortechnyi ('Electricians without borders' global network). In 2022, 'Share the warmth' endorsed a number of projects to combat energy insecurity with donations totalling €87,000.

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

- MACMILLAN Cancer Support is the UK&ROI Division's official charity fund: the three industrial sites and the six brands have organised several fundraising events involving the largest number of colleagues, family members and friends. Such functions involved pedestrian activities, fun runs, football championships and many more endeavours.



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

- Participation in Research and Development groups: The S2E2 Competitiveness Division focuses on smart electricity technologies, supporting energy management in the Centre-Val de Loire, Pays de la Loire and Nouvelle-Aquitaine regions in France. The S2E2 Division's head offices are in Tours, with additional premises in Orléans and La Roche-sur-Yon.



5 / 3/2/ Training for the industry

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

To date, the Group has 8 training centres internationally and 10 training centres throughout France. A new training centre was unveiled at our Aulnay-sous-Bois site in September 2021. As the first campus dedicated to the commercial and tertiary sectors, the site opened to fulfil the Group's ambitions for further development in this market.

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 pumps and heat pump water heater modules), QUALIBOIS, refrigerant fluid handling, electrical certification, brazing, regulations, Energy-related Products (ErP), France's Recognised Environmental Guarantor (RGE) certification (QualiPac, QualiPac heat pump water heater (CET) module and QualiBois).
- Campus Atlantic: an online training platform designed to provide training programmes catering to new needs.

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]).

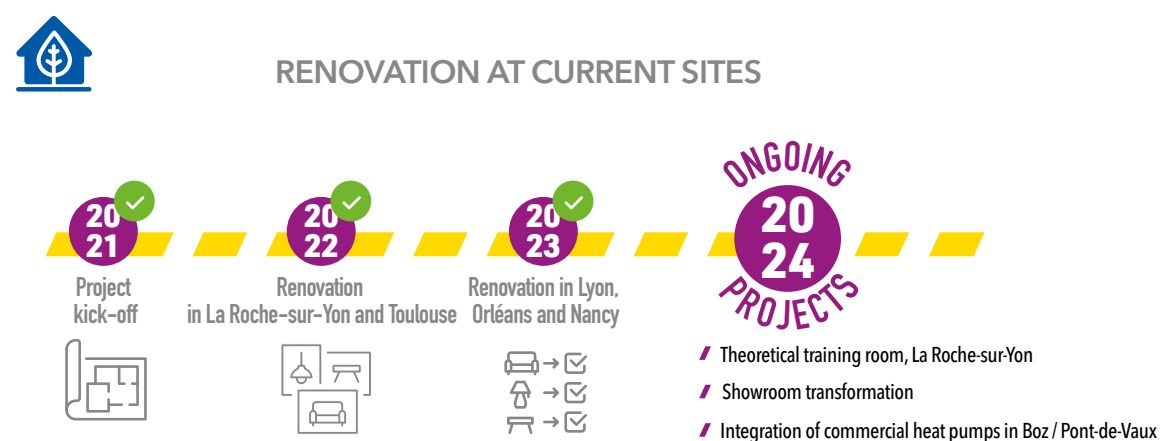
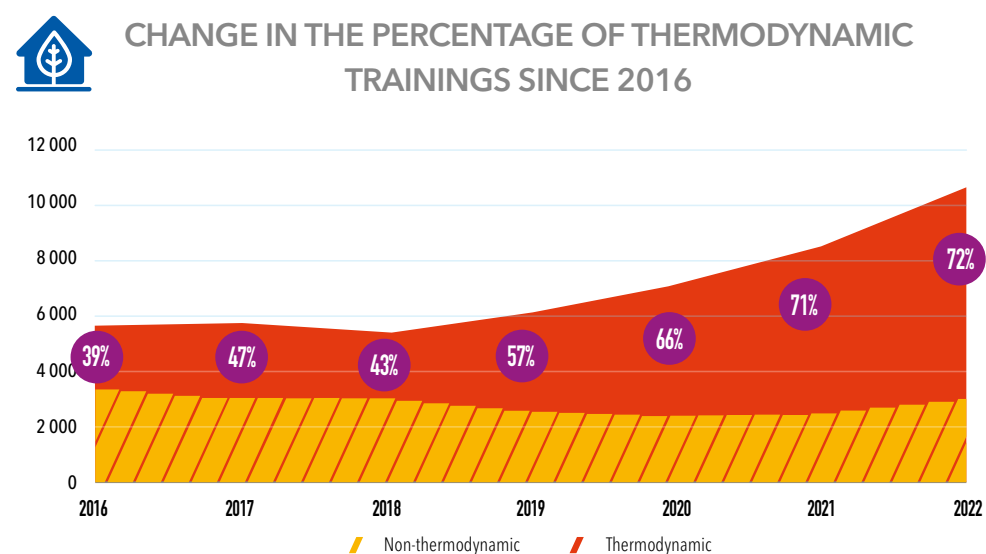
The Group also offers tools to facilitate its product sales for installers. These include:

- 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).

NUMBER OF CUSTOMER TRAINING SESSIONS

→ KPI: Throughout 2022, in France, training centres welcomed 7,330 external trainees (up 55% from 2020).

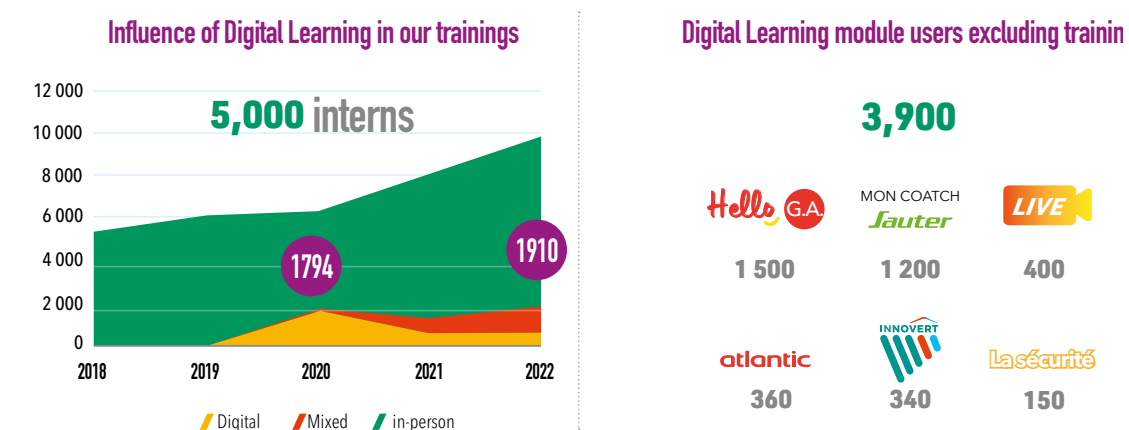
This trend is largely attributable to training on thermodynamic or heat pump solutions. Last year, such courses alone represented 72% of in-house training content. As a result, the training centres had to upskill in terms of their thermodynamic and heat pump expertise with a number of renovations made to the premises throughout 2022 and more planned for 2023 and 2024.



In 2022, GROUPE ATLANTIC also expanded its digital trainings with the inauguration of digital campuses intended for customers. As such, 1,910 trainees took part in digital and blended learning, with 3,900 users enrolled on digital modules during training recess periods.



DIGITAL LEARNING: DURING TRAINING AND DURING RECESS PERIODS



New features for 2022 included the launch of new ventilation certification by the Training Division.

Against this background, GROUPE ATLANTIC decided to invest in its Training Policy by rolling out a customised training plan for its customer - TEREVA. It follows the skills assessment of 700 employees and the ramp-up of virtual classes, webinars and live sessions, for the Group's internal and external customers.

5/4/ Creation and retention of positions

During 2022, GROUPE ATLANTIC was instrumental in creating job opportunities: the number of employees totalled 12,700 (11,600 in 2021), representing a 9.5% increase on the previous financial year.

6 Environmental challenges

6/1 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.

For most of the Group's industrial sites in France, regulatory energy audits are entering their expiry phase. Scheduled for completion in 2023, these audits will enable GROUPE ATLANTIC to monitor developments since the previous audit.

In parallel, a certain number of GROUPE ATLANTIC tertiary sites must comply with the Tertiary Eco Efficiency Scheme (DEET), also known as the "Tertiary Decree", which requires a reduction in energy consumption of up to 60% by 2025, compared against the reference year.

In the context of 2022, sites were forced to implement measures aimed at a substantial reduction in energy consumption, with support from their teams. These measures sought to act on various ways of spurring a reduction. In terms of heating, temperature settings in buildings were lowered while heating periods were shortened. Regarding processes, the Group reviewed how it bakes glass-lined inner tanks to shrink consumption at the Saint-Louis site by several MWh per month. Last but not least, with respect to equipment, several sites deployed variable-speed compressors as well as substituting lighting fixtures for LED solutions.

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 business activities.

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

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 equipment.

- // 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/ A supplier mapping and risk assessment process will kick off in 2022 to drive progress within the Purchasing Department.

- // 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.

6/2 Controlling the environmental impact of industrial sites

As an industrial entity, the Group has plants of various sizes with varying impacts on the ecosystem and the economic fabric of the areas where they operate, particularly depending on geographical location.

Having identified the environmental aspects linked to its industrial activity as a major issue, the Group has adopted an environmental management approach.



6/2/1/ Environmental management system

GROUPE ATLANTIC is committed to 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 in the relevant department. In addition, international sites have all the environmental approvals required to conduct their business.

In France, the Arcueil site has obtained several certifications which validate building environmental performance, including "HQE¹⁵", "BREEAM¹⁶" and "Effinergie+". During the construction phase, the Boz industrial site in eastern France was also "HQE-certified".

Sites are also given support for regulatory monitoring and compliance by an environmental coordinator with a transversal approach throughout the Group. Below are the initiatives underway across the environmental network:

- Environment Club:** its purpose is to bring together Environment Managers from industrial sites on a regular basis, to improve Group operations and discuss ongoing projects at each site. During 2022, the Group organised its inaugural Environment Club session, involving Environment Managers from sites around the world.
- Environmental analyses** of industrial sites, which started in 2018, have been disrupted by the health crisis since 2020. This approach serves to pinpoint the main environmental factors and risks affecting an industrial site. The analysis tool is scheduled for a revamp in 2023, with further audits to be conducted throughout the year on this new basis.
- WeGA (Ways to Excellence at GROUPE ATLANTIC)** :An initiative led by GROUPE ATLANTIC to achieve operational excellence via an interactive business model, bolstered by Progress Autonomous Units Teams (GAPs). Throughout 2022, Environment Managers at the industrial sites worked on developing roadmaps to address environment issues for recognition under the WeGA programme's Safety pillar. Environmental priorities were established for existing roadmaps, on top of two new roadmaps included in the "Emissions & Waste" and "Effective Resource Management" pillars. All sites employ management staff to properly address environment issues: regulatory monitoring, initial environmental reviews, targets, and action plans

They may take action on the following topics in particular:

- Sustainable use of resources;
- Pollution and waste management. Environmental awareness:
Starting in 2020, the Group coordinated awareness workshops on the Climate Fresk (a collaborative tool on the causes and effects of global warming developed by the eponymous non-profit organisation on the basis of reports issued by the Intergovernmental Panel on Climate Change (IPCC)). In 2022, efforts were stepped up at specific sites with the hosting of some forty workshops involving a maximum of eight people per leader/instructor. As a result, 17 in-house leaders and instructors received training while 365 employees were made aware of the challenges posed by global warming.



15- HQE = High Environmental Quality.
16- BREEAM = Building Research Establishment Environmental Assessment Method.

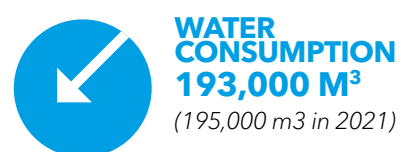
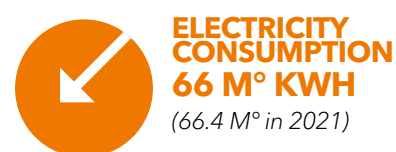
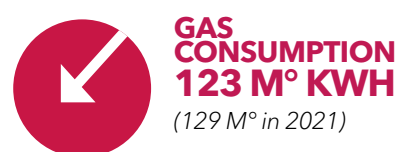
6/2/2/ Sustainable use of resources

Examples of initiatives for 2022 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.

Despite a production increase of up to 3% between 2021 and 2022, data showed a decline in water, gas and electricity consumption, as well as for hazardous and non-hazardous waste generation.

Key figures for these indicators in 2022 were as follows:



Industrial waste: 17,405 tonnes, including 93% of non-hazardous waste (23,800 tonnes in 2021)

- ✓ Effective since 2022, the Tertiary Decree on energy performance required companies with tertiary buildings of more than 1,000 m² in 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. GROUPE ATLANTIC sites strive to use a **closed-circuit water system** for processes, to limit consumption.
- ✓ **The Group has enforced modernisation policies for production lines** incorporating energy savings, environmental protection and product eco-design constraints.
- ✓ The gradual replacement of GROUPE ATLANTIC petrol engines for handling forklifts with electric engines is underway.



6/2/3/ Pollution and waste management

Examples of actions taken include:

- ✓ **Noise measurements and monitoring of water and air pollution:** identifying areas for improvement to reduce environmental impacts and improve working conditions;
- ✓ **Waste management:** establishing on-site procedures, which at the very least, include the sorting of hazardous and non-hazardous waste. For most of these sites, sorting waste at the source is ensured through computerised monitoring of traceability (volume, business, waste collecting company, etc.).
- ✓ **Monitoring indicator:** In 2022, the relevant Group sites generated 17,405 tonnes of waste (a 27% decrease vs. 2021).

As an example, in 2022, the Fontaine site (southeastern France) continued to make significant strides in waste management and reduction: wood which used to be ground and incinerated is now 90% recovered in the form of palettes while plastic film – formerly sorted as NHIW – is now recycled.

The site reduced its NHIW¹⁷ production by approximately 31% versus 2021:

- ✓ **Business travel is being reduced** as a result of the roll-out of specific architecture for videoconferencing.
- ✓ **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. A €250 bonus for electric bicycle purchases was also offered from 1 September 2021 to 31 March 2022. In the case of GA Synergy employees, this bonus was further applied to standard bicycles as well as scooters.
- ✓ **Eco-friendly practices:** various site Environment Managers joined forces to launch an awareness campaign, identifying top priority messages for operators that ensure eco-responsible practices. Such priorities notably address waste sorting, chemical compatibility and retention characteristics, as well as air and water leaks. A photo shoot took place at the Boz site in eastern France, spotlighting the main eco-friendly practices. Posters were distributed in Q1 2023, across all Group sites.

17- NHIW = Non-hazardous industrial waste.

6/3/ Controlling the carbon footprint of the Group's industrial and commercial sites

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 the 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 deployment 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, 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 and employee commuting activities.

➔ **KPI: Overall, based on the conducted carbon accounting assessment, GROUPE ATLANTIC activities stem from the emission of:**



69,538,169 TCO₂E
(audited in 2021)



88,000 TCO₂E
(extrapolated Group basis)

6/4/ Sustainable product offering

GROUPE ATLANTIC has implemented an ambitious development plan for decarbonised solutions. The latter are based on the laws of thermodynamics (RNE), accounting for 30% of Group turnover in 2022 (vs. 15% in 2010).

6/4/1/ 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 streams; strategy to eliminate single-use plastics, etc. Since 2020, teams in-house have pulled together to understand and meet these novel 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.

GROUPE ATLANTIC is authorised to import products filled with a refrigerant fluid into the European Union (EU), in accordance with the F-gaz¹⁸ regulation requirements, and declares the quantities of greenhouse gases (HFCs) placed on the market with both the European and French authorities (ADEME).

The Group Purchasing Department 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) and nanoparticle regulations. The consultation campaign aims to ensure compliance and identify items that may contain hazardous substances for both consumers and the planet. Concerning the REACH regulation, EcoMundo's reporting has identified that slightly less than 10% of products contain SVHCs¹⁹.

➔ **Performance indicator: Number of sites covered per year through EcoMundo consultation.**

October 2022 saw the Group further extend the scope of this campaign, with 29 industrial sites now covered, compared with four in 2020 and 21 in 2021. Supplier reporting models were also completed for precious metals and rare earth elements (REEs), thereby fulfilling the new requirements for Article 13 by French Law, known as the "AGEC" bill (against waste for a circular economy).

¹⁸- (EU) Regulation No. 517/2014 of the European Parliament and Council, dated 16 April 2014, on fluorinated greenhouse gases (GHGs).
¹⁹- SVHCs = Substances of Very High Concern

6/4/2/ 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 has prepared and developed environmental declarations on the approach to product Life Cycle Assessments (LCAs). 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.
- ✓ Identification of Group product environmental impacts during the five stages of their life cycle: manufacturing, distribution, installation, use, end-of-life (compliance with ISO 14025:2010, ISO 14040:2006 and ISO 14044:2006 standards).
- ✓ Use of EIME (Environmental Improvement Made Easy) software, Life Cycle Assessment (LCA) and eco-design (developed by LCIE Bureau Veritas's CODDE Department – a centre of excellence in eco-design and sustainable product development). Training 20 experts to use this software.
- ✓ 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.

→ KPI: Number of environmental declarations.

During 2022, the Group registered 52 valid PEPs on the PEP ecopassport® database: <http://register.pep-ecopassport.org/>, all of which can be accessed through the INIES (France's national reference database for environmental and health data on construction products and equipment, and the baseline database for the application of France's RE2020 environmental legislation).

Moreover, the Group contributed to six new collective PEPs developed by the UNICLIMA Trade Union, also accessible from the INIES database.

The number of PEPs accessible via Atlantic- and Thermor-branded products more than doubled from 2021, to meet growing demand in the new build market, in turn driven by the enforced RE2020 legislation. IN DOING SO, GROUPE ATLANTIC subsequently restored its status as the leading provider of environmental data on HVAC (Heating, Ventilation, and Air Conditioning) equipment.

Issued in October 2022, this new regulation impacts the Group's approach on environmental product declarations, which resulted in the delivery of training sessions for experts in December 2022 combined with an overhaul of the tools required to develop PEPs. As of Q2 2023, the Group will have produced new PEPs.

For this current year, GROUPE ATLANTIC strives to develop PEPs for products dedicated to the renovation market in Europe.



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 evolve, but any environmental impact generated during the various phases of their life cycle is reduced. New products are affected by the gradual roll-out of eco-design across Research and Development Departments. Examples include:
 - Heat pump/Thermodynamic water heaters from exhaust air with low environmental impact fluid
 - Substitution of expanded polystyrene blocks in product packaging and development of reusable packaging
- ✓ Assessment of Group product recyclability rates via a calculation tool made available by the environmental organisations – ECOSYSTEM and CITEO
- ✓ Gradual replacement of refrigerant fluids with the strongest impact on global warming. Examples include:
 - Heat pump and air conditioning ranges (except VRF): switch to R32 (GWP of 675) from R410A (GWP of 2,100)
 - R452B one-piece heat pump range with a GWP of 698 (based on the IPCC's fourth official report and 675 according to the fifth edition of the same report)

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

GROUPE ATLANTIC laboratories:

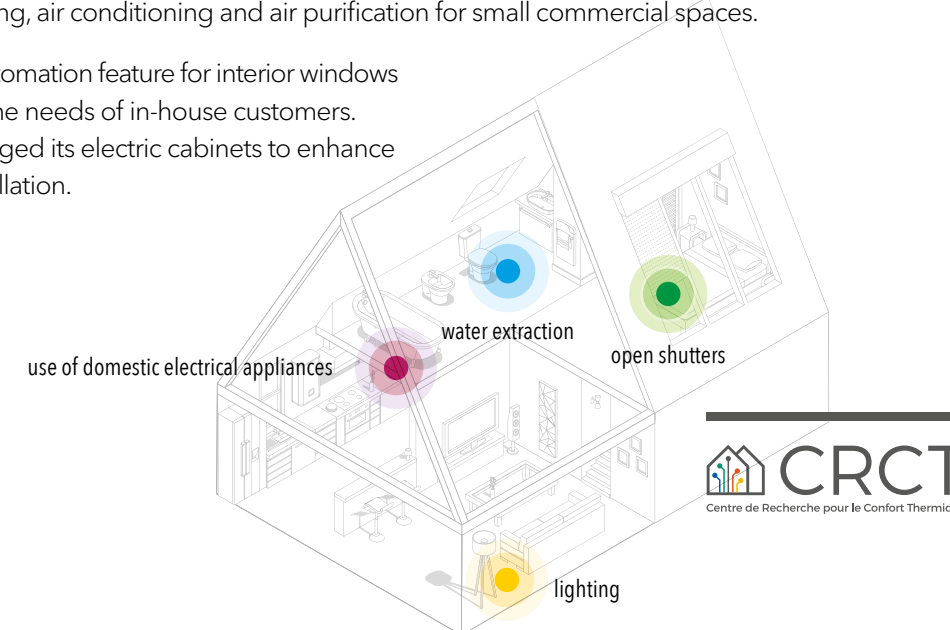
GROUPE ATLANTIC has made considerable investments to develop a robust network of laboratories on its industrial sites, with testing methods and shared standards. To date, the Group owns 22 laboratories (11 in France and 11 abroad). These laboratories act as a tool for optimising Group product design.

Research Centre for Thermal Comfort (CRCT):

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

Since 2021, the CRCT Management Team has leveraged its cutting-edge laboratories to test tertiary solutions in real-life scenarios. Our testing plans include heating, air conditioning and air purification for small commercial spaces.

During 2022, the CRCT developed an automation feature for interior windows and doors within its two labs, catering to the needs of in-house customers. On top of that, the Research Centre changed its electric cabinets to enhance their sensor capabilities for potential installation.



6/4/3/ 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. 541-10 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 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 sanitary hot water (SHW) 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 2022, ECOSYSTEM collected and processed 1,858,334 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.

→ KPI: Theoretical WEEE collection rate by the environmental organisation – ECOSYSTEM.

For France in 2022²⁰, the theoretical WEEE collection rate by comparison with the contribution of GROUPE ATLANTIC amounted to 50.7%.

Established as a requirement of the French AGECL law (against waste for a circular economy), the EMAT Consortium (France's national entity for waste traceability in construction demolition and renovation projects) – which GROUPE ATLANTIC joined in 2020 – was disbanded. A new organisational body is set to be established in 2023.

²⁰- 2021 ECOSYSTEM report data is unavailable to date.



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