CSR

POCLAIN

CORPORATE SOCIAL RESPONSIBILITY REPORT

2024

poclain.com

ENGAGE 2025 SHIFT-UP

NEW GEN 2030

MESSAGE FROM THE CSR PROGRAM OFFICER

OUR ACTIONS FOR BUILDING A SUSTAINABLE FUTURE!

In 2024, we began rolling out our ESG (Environmental, Social and Governance) ambitions across our operations as planned. This progress is supported by the strong dedication and commitment of our employees

ÅSA ESTVALL
Group CSR Program Officer

A team has been created to lead and oversee our projects, featuring a Corporate Committee, Champions whose responsibilities include coordinating projects within the various departments and industrial sites, and a Steering Committee. More than 20 people are devoting part of their time to supporting our sustainable development projects.

This varied team includes a mix of experienced employees and younger members, who are all driven by the same energy and motivation to attain our common goals.

This collective effort was rewarded with a silver medal in April by EcoVadis, an internationally recognized French rating agency. This was the result of consolidated improvement plans carried out over the past couple of years, including safety record improvements and the definition of clear environmental objectives.

Looking back on the year, I feel that we have built a solid understanding of how to achieve our key goals and a clear sense of how we want to get there. We live in a changing world and having a structured roadmap gives us clear objectives for the Group.

We are lucky to be working with our industrials sites around the world that are taking meaningful initiatives – each one adding a piece to the global puzzle. For example, in Puducherry India, the teams have been actively working for several years to limit water use and recycle process water. In Yorkville, USA, our teams have come up with solutions to cope with an excess of wooden pallets. In Brno, Czech Republic, the team benefited from a collaboration with a local University who assessed our site, and the results were very positive.

So, what are our challenges? A key focus is to reduce the energy used in both our industrial processes and the buildings we operate.

In a similar vein, we are designing products to minimize their power consumption.

Step by step, we will begin to integrate an eco-design process that takes into account the full life cycle, from the extraction of the raw materials used in the product manufacturing process up until the end-of-life.

We will provide our customers with efficient solutions tailored to their decarbonization challenges. Our employees will be trained in these new areas of expertise.

In March 2025, three employees will be trained and educated on the effects of climate change by taking part in a workshop run by the Climate Fresk organization. They will become ambassadors for leading the environmental transition and sharing their knowledge across our industrial sites and business subsidiaries.

Through the United Nations Global Compact and its community, our employees will receive training on a wide array of topics, ranging from climate change to business ethics.

We are all very excited to start the year working on all these important topics. According to the results of our internal survey, 84% of our employees feel that Poclain addresses relevant issues within our CSR program.

As CSR Program Officer, I am honored to work alongside my team and colleagues on such mission-critical issues, which perfectly reflect the Poclain Group's values.

ECOVADIS RATING

SILVER | Top 15%

ecovadis

Sustainability Rating

APR 2025

THE POCLAIN GROUP RECEIVED A SILVER MEDAL FOR ITS CSR PERFORMANCE.

This award means that POCLAIN ranks among the "TOP 15%" of companies assessed by EcoVadis.

Founded in France in 2007, EcoVadis has grown into a globally recognized provider of business sustainability ratings. Today, it has a network of more than 150,000 rated companies in 185 countries across 250 different industries.

OVERVIEW OF THE INTERNATIONAL AGREEMENTS,
AND EUROPEAN AND FRENCH REGULATIONS AIMED
AT PROTECTING THE ENVIRONMENT

Starting in the early 1970s, many scientists were already warning about the foreseeable effects of global warming.

At the time, the amount of greenhouse gases was rising significantly due to the global use of coal and fossil fuels.

Growing awareness of climate change pushed international and European organizations to take action by adopting directives to protect the environment.

France, Europe and the international community have since introduced increasingly strict regulations to help fight against the environmental urgency.

This legislation aims to promote a new model of sustainable development that respects the environment and reduces the use of energy, water and other natural resources.

MAIN INTERNATIONAL AGREEMENTS AND DIRECTIVES
(non-exhaustive list)

1972	**The United Nations Conference on the Human Environment** adopted a series of principles for managing the environment responsibly. This "Stockholm Declaration" marked the start of a dialog between industrialized and developing countries on the link between economic growth, global pollution and the well-being of people around the world.
1992	**The second United Nations Conference on Environment and Development,** known as the "Earth Summit", adopted a declaration that built on the idea that countries have environmental rights and responsibilities. **The Rio Declaration on Environment and Development** reflects two major concerns that emerged in the 20 years between the two conferences, namely the deterioration of the environment, and the interdependence between long-term economic progress and the need to protect the environment.
1997	**The main goal of the Kyoto Protocol** is to reduce greenhouse gases (GHG) released by human activity and thereby fight climate change. The Protocol sets binding targets for industrialized countries and economies in transition to reduce greenhouse gas emissions.
2015	**The Paris Agreement** is an international treaty whose main objective is to keep the rise in global average temperature to well below 2°C above pre-industrial levels and continue efforts to limit the temperature increase to 1.5°C.

MAIN FRENCH REGULATIONS
(non-exhaustive list)

1996	**The LAURE** Law on air and rational energy use aims to improve air quality in France. It imposes a series of measures for monitoring, preventing and reducing air pollution.
2001	**The NRE Law** Law (New Economic Regulations) requires listed companies to publish information about the social and environmental consequences of their business activities in their annual reports.
2005	**The POPE Law** aims to define the main strategic directions for France's energy policy in order to guarantee energy independence and preserve human health and the environment.
2009	**The Grenelle 1 Law** aims to tackle climate change, protect biodiversity, improve air and water quality, and renovate the building sector. The law sets ambitious targets, such as lowering greenhouse gas emissions and retrofitting buildings for improved energy performance.
2010	**The Grenelle 2 Law** aims to integrate the guidance in the Grenelle 1 Law through specific measures and clear objectives. It is divided into six key areas : **1.** Improve buildings' energy performance. **2.** Promote public transport and alternative forms of mobility. **3.** Reduce greenhouse gas emissions and promote renewable energies. **4.** Protect species and natural habitats. **5.** Reduce noise and light pollution, and improve waste management. **6.** Strengthen public consultation and engage society in environmental projects.
2021	**The Climate and Resilience Act** aims to step up the fight against climate change in France, with various measures to cut greenhouse gas emissions, improve energy efficiency and promote renewable energies.

MAIN EUROPEAN REGULATIONS
(non-exhaustive list)

2007
REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a European regulation to better protect human health and the environment from the risks that can be posed by chemicals. This regulation requires companies to identify, evaluate and control the chemicals manufactured, imported and placed on the European market.

2014
The Non-Financial Reporting Directive (NFRD) requires large European Union organizations to publish non-financial statements detailing their ESG performance (environmental, social and governance).

2020
The Taxonomy Regulation provides a system for classifying economic activities with a positive impact on the environment. Its aim is to guide investments toward sustainable activities.

2021
The Sustainable Finance Disclosure Regulation (SFDR) requires financial institutions to disclose clear and comparable information about the sustainability of their financial products. Therefore, it is designed to improve transparency and guide investments towards more responsible options in terms of environmental, social and governance performance.

2021
The European Climate Act sets the European Union's goal of making its economy and society climate-neutral by 2050. It also includes the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

2023
The EU Carbon Border Adjustment Mechanism (CBAM) enables the European Union to apply its environmental standards to companies exporting into the EU. It allows the EU to tax imports of the most carbon-intensive goods (steel, cement, fertilizer, etc.) from countries with weaker climate policies for tackling greenhouse gas emissions. This helps reduce the risks of "carbon leakage", where companies move their production to countries with looser environmental regulations.

2023
The Corporate Sustainability Reporting Directive (CSRD) replaces the NFRD and applies to a wider range of European companies. Its goal is to standardize ESG reporting, making it easier to compare companies. This provides investors and stakeholders with the data needed to assess companies' sustainability performance.

2024
The Ecodesign for Sustainable Products Regulation (ESPR) establishes a framework for defining ecodesign requirements to make products more sustainable. It aims to improve product sustainability by reducing their environmental impact throughout their life cycle. It introduces mandatory criteria for products' energy performance, repairability, recyclability and durability.

One of the key features of this regulation is the creation of a digital product passport: companies will need to provide consumers and end-users with detailed, accessible information about their products (durability, repairability, percentage of recycled materials, etc.). The regulation will be gradually rolled out, according to the number of employees and turnover.

Poclain is expected to meet the requirements of this regulation between 2027 and 2028.

2024
The Corporate Sustainability Due Diligence Directive (CSDDD) requires large EU companies and non-EU companies operating in the EU to carry out sustainability due diligence. It aims to identify, prevent and reduce negative impacts on human rights and the environment throughout their value chains. The regulation will be gradually introduced, according to the number of employees and turnover.

Poclain is expected to meet the requirements of this regulation between 2029 and 2030.

Late February 2025, Brussels presented a number of amendments to simplify key elements of the Green Deal that have been adopted in recent years. The European Commission has set its sights on the 2023 Corporate Sustainability Reporting Directive (CSRD), the 2024 Corporate Sustainability Due Diligence Directive (CSDDD), the 2020 EU taxonomy for sustainable investments, and the Carbon Border Adjustment Mechanism (CBAM) adopted in 2022.

This reform is a proposal. Before it can be applied in France, it must go through the European legislative process, which can take several months.

In any case, markets will continue to require companies to provide a strong and credible set of environmental and social commitments.

Consequently, Poclain is moving forward with its sustainable development strategy, putting its commitments into action to uphold human and social rights, fight climate change, avoid pollution, preserve water resources, and support the shift toward a circular economy.

IMPLEMENTATION OF THE CSRD AND DOUBLE MATERIALITY ASSESSMENT
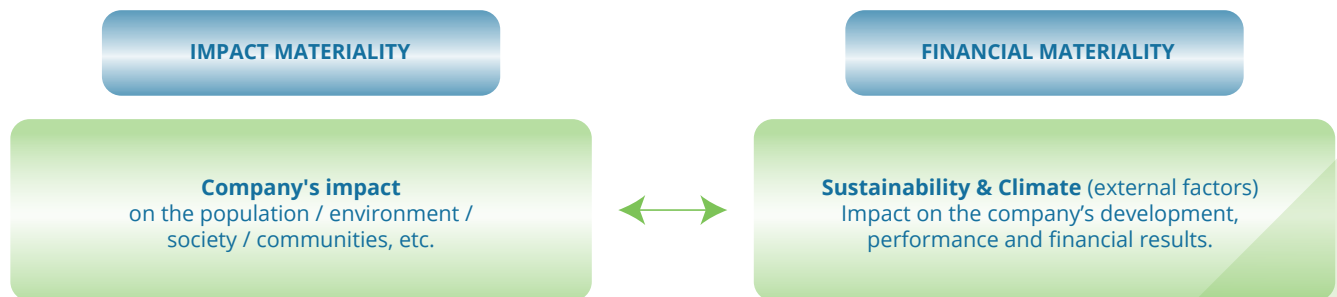
A STANDARD WITH MATERIALITY STAKES

A new directive, taxonomy regulation and non-financial reporting requirements!

The CSRD (Corporate Sustainability Reporting Directive), which was published in the Official Journal of the European Union in December 2022 and adopted into French law in December 2023, requires large organizations to meet non-financial reporting obligations based on 12 ESG (Environmental, Social and Governance) standards.

The directive aims to improve how companies report their non-financial performance, helping drive the transition toward a more sustainable society and environment.
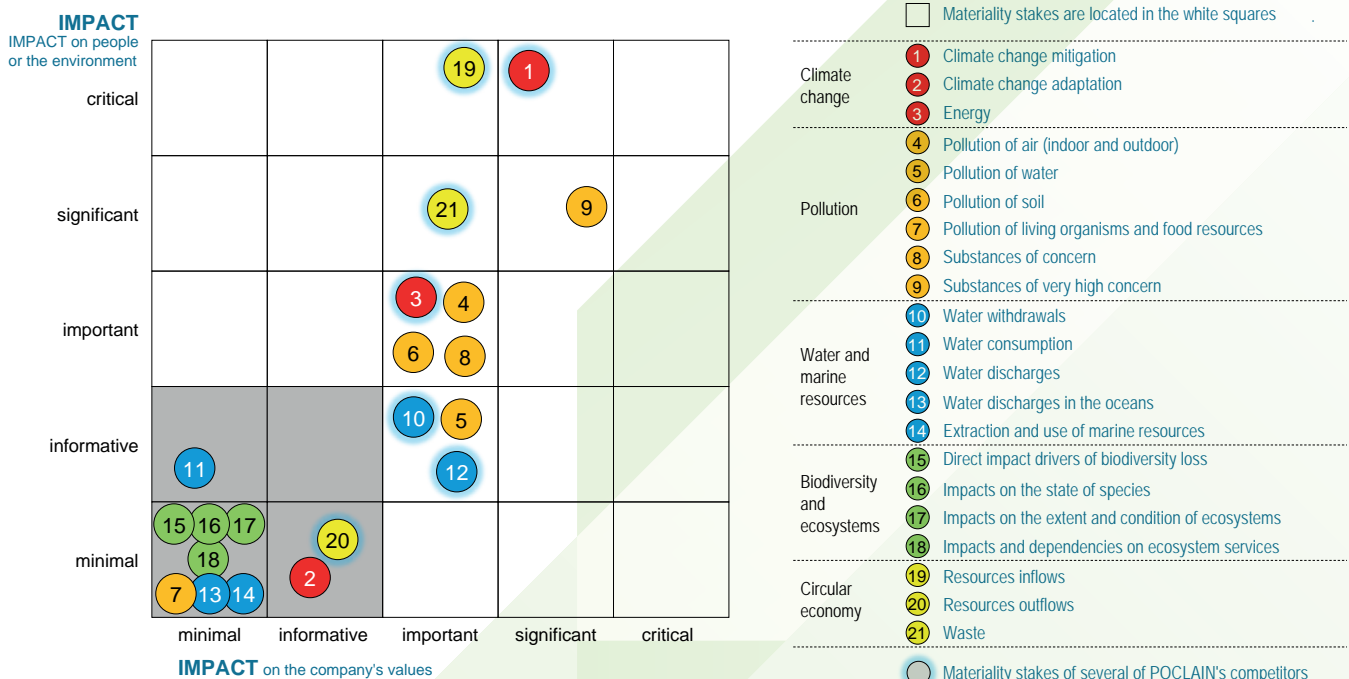
Before creating an improvement plan, companies need to analyze their social and environmental challenges using the double materiality principle.

This materiality assessment creates a map that represents the **company's impacts** on society and the environment, along with external **sustainability risks** that could threaten its development and financial performance.
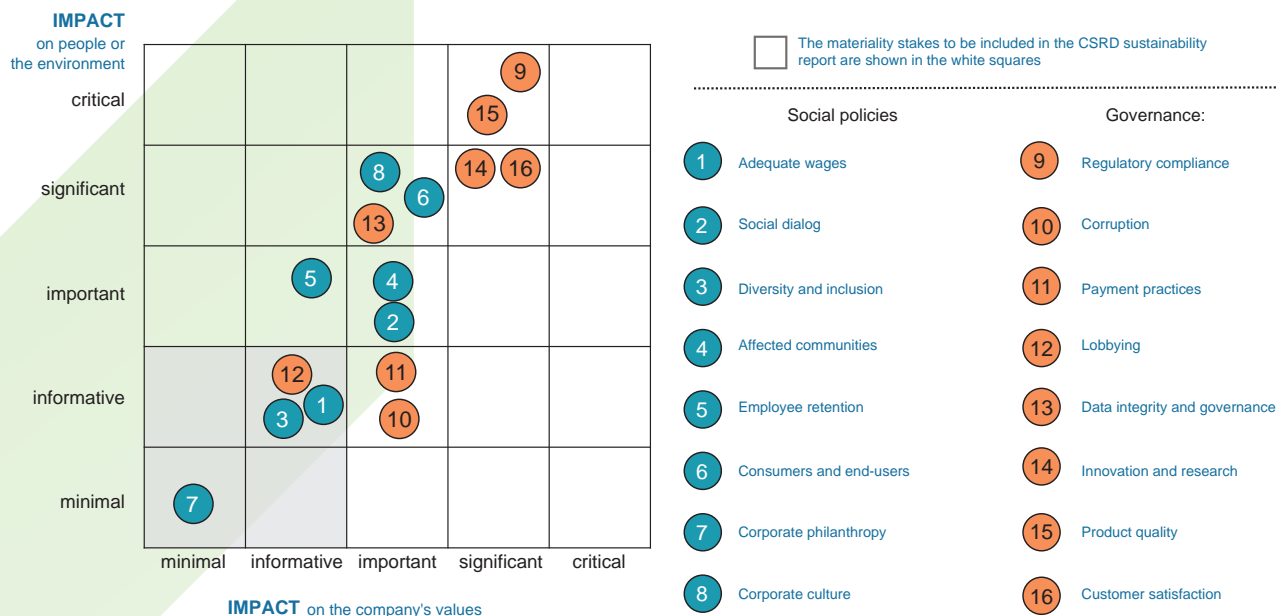
IMPACT MATERIALITY		FINANCIAL MATERIALITY
Company's impact on the population / environment / society / communities, etc.	←→	**Sustainability & Climate** (external factors) Impact on the company's development, performance and financial results.

In 2023, Poclain carried out this assessment to evaluate its environmental stakes.

POCLAIN'S ASSESSMENT LEADS TO THE FOLLOWING MATRIX

IMPACT
IMPACT on people or the environment

IMPACT on the company's values

☐ Materiality stakes are located in the white squares .

Climate change
1 Climate change mitigation
2 Climate change adaptation
3 Energy

Pollution
4 Pollution of air (indoor and outdoor)
5 Pollution of water
6 Pollution of soil
7 Pollution of living organisms and food resources
8 Substances of concern
9 Substances of very high concern

Water and marine resources
10 Water withdrawals
11 Water consumption
12 Water discharges
13 Water discharges in the oceans
14 Extraction and use of marine resources

Biodiversity and ecosystems
15 Direct impact drivers of biodiversity loss
16 Impacts on the state of species
17 Impacts on the extent and condition of ecosystems
18 Impacts and dependencies on ecosystem services

Circular economy
19 Resources inflows
20 Resources outflows
21 Waste

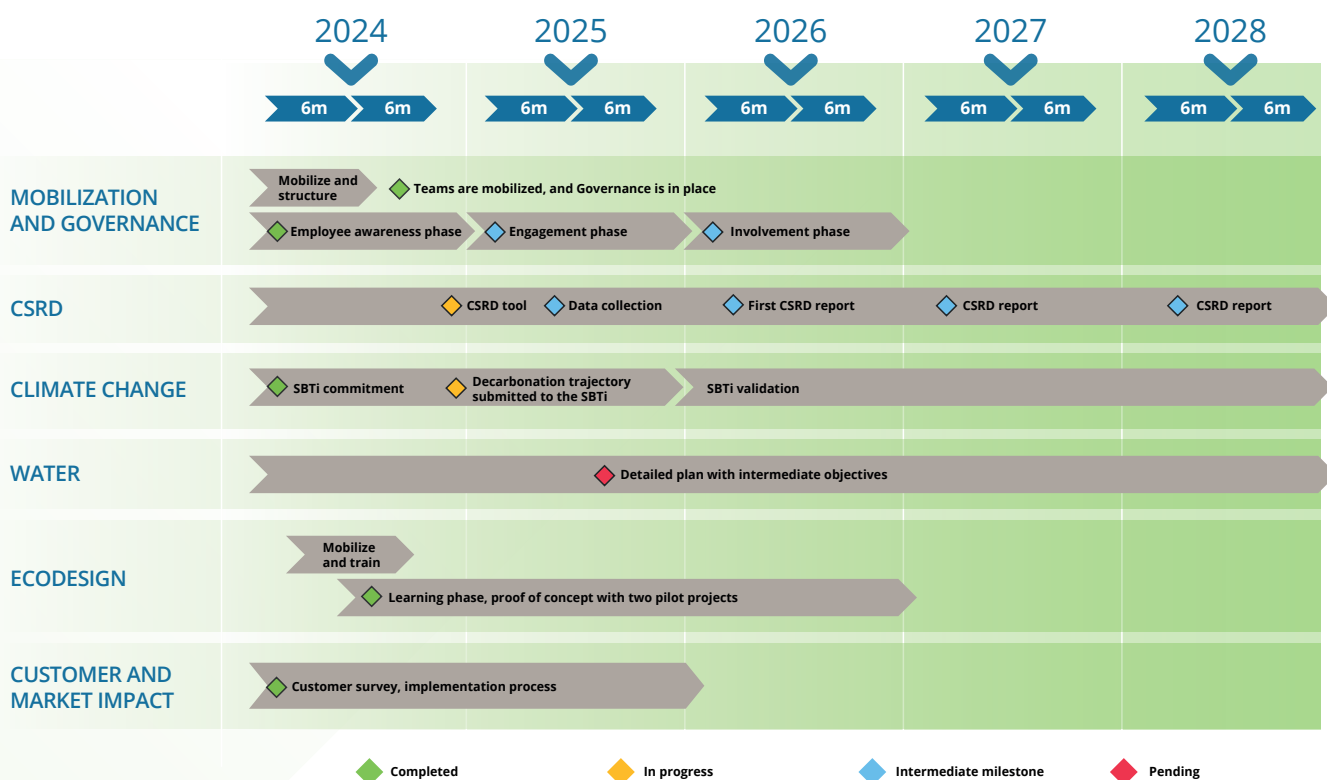◯ Materiality stakes of several of POCLAIN's competitors

In 2024, Poclain carried out this assessment to evaluate its social and governance stakes.

POCLAIN'S ASSESSMENT LEADS TO THE FOLLOWING MATRIX:

IMPACT on people or the environment

The materiality stakes to be included in the CSRD sustainability report are shown in the white squares

Social policies

1. Adequate wages
2. Social dialog
3. Diversity and inclusion
4. Affected communities
5. Employee retention
6. Consumers and end-users
7. Corporate philanthropy
8. Corporate culture

Governance:

9. Regulatory compliance
10. Corruption
11. Payment practices
12. Lobbying
13. Data integrity and governance
14. Innovation and research
15. Product quality
16. Customer satisfaction

IMPACT on the company's values

PLANNING AND IMPORTANT MILESTONES

	2024	2025	2026	2027	2028
	6m 6m	6m 6m	6m 6m	6m 6m	6m 6m

MOBILIZATION AND GOVERNANCE
- Mobilize and structure
- ◆ Teams are mobilized, and Governance is in place
- ◆ Employee awareness phase ◇ Engagement phase ◇ Involvement phase

CSRD
- ◆ CSRD tool ◇ Data collection ◇ First CSRD report ◇ CSRD report ◇ CSRD report

CLIMATE CHANGE
- ◆ SBTi commitment ◆ Decarbonation trajectory submitted to the SBTi SBTi validation

WATER
- ◆ Detailed plan with intermediate objectives

ECODESIGN
- Mobilize and train
- ◆ Learning phase, proof of concept with two pilot projects

CUSTOMER AND MARKET IMPACT
- ◆ Customer survey, implementation process

◆ Completed ◆ In progress ◆ Intermediate milestone ◆ Pending

MEMBERSHIP OF THE UNITED NATIONS GLOBAL COMPACT

Since 2024, POCLAIN has actively supported the corporate social responsibility goals of the United Nations Global Compact, embracing its Ten Principles on human rights, labor standards, the environment and anti-corruption.

The UN Global Compact, launched by the UN Secretary-General, is a global initiative that encourages companies to align their strategies and operations with 10 universal principles on human rights, labor, the environment and anti-corruption.

Launched in 2000, the United Nations Global Compact aims to help businesses around the world to put the United Nations' values into practice through responsible practices. With over 20,000 companies and 3,500 non-profit organizations in more than 160 countries and 62 local networks, it is the world's largest corporate sustainability initiative. The Global Compact Country Network in France brings together more than 2,000 companies and 100 organizations committed to CSR and sustainable development.

The UN Global Compact Network France offers its members a framework to voluntarily adopt the Ten Principles relating to human rights, labor, the environment and anti-corruption.

The country network has also been tasked by the UN to support the implementation of the 2030 UN Agenda and encourage French businesses to take action on the Sustainable Development Goals.

WE SUPPORT THE GLOBAL COMPACT

For more information, click on the following links:

Home | United Nations Global Compact
The Ten Principles of the United Nations Global Compact in detail

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

1 Businesses should support and respect the protection of internationally proclaimed human rights; and

2 make sure that they are not complicit in human rights abuses.

LABOUR

3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4 the elimination of all forms of forced and compulsory labour

5 the effective abolition of child labour; and

6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7 Businesses should support a precautionary approach to environmental challenges;

8 undertake initiatives to promote greater environmental responsibility; and

9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10 Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

OUR NEW CSR CHARTER

OUR CSR CHARTER OUTLINES OUR GROUP'S CORE SOCIAL AND ENVIRONMENTAL VALUES

To reflect our commitments, two United Nations Sustainable Development Goals (SDG 6 and SDG 13) were added to our CSR Guidelines in 2024.

In 2023, Poclain strengthened its environmental policy by organizing it around four main priorities:

1 **Fighting climate change**

2 **Reducing air, water and soil pollution**

3 **Protecting water resources**

4 **Supporting a circular economy**

6 Clean water and sanitation

13 Climate action

Global warming and the world's growing population are putting increasing pressure on water supplies. Many countries are already facing water shortages as well as pollution of this vital, limited resource.

Greenhouse gas emissions continue to rise, driving climate change and increasing the frequency and severity of extreme weather events.

POCLAIN is committed to reducing water use and tackling water pollution across its industrial activities by setting up appropriate recycling systems, while prioritizing initiatives and stepping up efforts at our sites where local water stress is a known issue.

POCLAIN is committed to lowering greenhouse gas emissions across its value chain and internal operations. We're improving the efficiency of our transmission systems, developing innovative electrohydraulic and electrical solutions, and aiming to certify all our industrial sites for energy performance.

The development of a sustainable circular ecosystem is aligned with SDG 12 (Responsible Consumption and Production).

Poclain's commitments are organized into six themes that reflect its environmental, social, societal and business ethics ambitions.

CSR — Corporate Social Responsibility

OUR CHARTER

CSR objectives are inspired by our 4 core values, which are the foundations of Poclain's company culture for the benefit of all company stakeholders.

PEOPLE **INNOVATION** **INDEPENDENCE** **INTERNATIONAL**

With the 17 Sustainable Development Goals (SDGs), the United Nations and the Global Compact initiative pave the way towards significant worldwide improvements by 2030 in terms of human rights, labor, environment and anti-corruption. In full alignment with its strategic ambition and core values, Poclain will focus specifically on 6 of those SDGs:

CLEAN WATER AND SANITATION
6
- Sustainable water resource management
- Prevention to avoid any risk of pollution.

DECENT WORK AND ECONOMIC GROWTH
8
- Safety at work
- Continuous development of our employees' skills
- Sustainable and profitable growth

INDUSTRY, INNOVATION AND INFRASTRUCTURE
9
- Innovative technologies for customers
- Partnerships across supply chains to contribute to sustainability

RESPONSIBLE CONSUMPTION AND PRODUCTION
12
- Natural resources and respect of environment
- Promote Eco-design and recyclable materials
- Emergence of a viable circular ecosystem

CLIMATE ACTION
13
- Impact of our activities and sites
- Adapt Products and Product offerings
- Sustainable Supply Chain

PEACE, JUSTICE AND STRONG INSTITUTIONS
16
- Zero tolerance for corruption
- Promote Business Ethics
- Employee and partner training

Let's continue to be an attractive responsible company and an employer of choice wherever we operate!

POCLAIN

Frédéric MICHELLAND
Group Chief Executive Officer

Åsa ESTVALL
Group CSR Program Director

October 2024

OUR NEW CSR CHARTER : OUR AMBITIONS AND COMMITMENTS !

	6 CLEAN WATER AND SANITATION	**8 DECENT WORK AND ECONOMIC GROWTH**	**9 INDUSTRIE, INNOVATION AND INFRASTRUCTURE**
POCLAIN'S SUSTAINABLE DEVELOPMENT OBJECTIVES	Sustainable management of water resources Prevention to avoid any risk of pollution	Safety in the workplace Continuous development of our employees' skills Sustainable, profitable growth	Innovative technologies for our customers Partnerships throughout the supply chain to contribute to its sustainability
POCLAIN'S COMMITMENTS	Reduce pollution and water consumption Reuse and recycle water, while prioritizing initiatives and stepping up efforts at our sites where local water stress is already a serious concern	Protect health and continuously improve workplace safety Offer decent, rewarding jobs, provide training and promote entrepreneurship Promote action at a local level Ensure that industrial growth does not harm the environment Support young people with learning difficulties Promote and comply with international labor standards Avoid any involvement in human rights abuses	Reach high of performance through technological developments and innovation Encourage the development and spread of environmentally friendly technologies Use low-carbon and/or renewable energy sources Improve the energy efficiency of operations and buildings Obtain environmental certification for all our industrial sites
ACTIONS TAKEN BY POCLAIN TO INCORPORATE ITS OBJECTIVES INTO ITS STAKEHOLDER RELATIONSHIPS	**For its employees :** • Reduce water use by installing effective water recycling systems. • Take water impacts into account when designing our products and solutions. **For its customers and partners :** • Build an efficient network focused on meeting our customers' needs. • Show that we're available, proactive, and good listeners in our business relationships. • Work with our value chain to ensure compliance. **For local communities :** • Protect water quality and preserve water resources where we operate.	**For its employees :** • Create a safe work environment that encourages independence and accountability. • Provide tools and resources to ensure a stimulating work environment. • Promote professional skills development. **For its customers and partners :** • Build an efficient network focused on meeting our customers' needs. • Show availability, proactivity and good listening in our business relationships. • Work with our value chain to ensure compliance. **For local communities :** • Contribute to the common good. • Promote employability and education.	**For its employees :** • Increase awareness of climate change so employees can adopt the best environmental practices at work and at home. **For its customers and partners :** • Offer efficient technology solutions with low CO_2 emissions • Build trust with our partners **For local communities :** • Reduce the environmental impact of our components during use
PERFORMANCE INDICATORS	Water consumption (cubic meters) by site and total for the Group Volume of water discharged (cubic meters) Number of water pollution incidents Water intensity (cubic meters used per million euros of revenue)	Number of permanent and temporary employees Permanent employees covered by a health management system (%) Resignations by gender (%) Employees who have completed a performance review (%) Participation rate in the satisfaction survey (%) Satisfaction rate (%) Recommendation rate (%) Work-related accidents (LTIR) Number of ISO and IATF Group Number of ISO 45001 certifications (occupational health and safety) Progress in the lean transformation process Number of hours of training per employee Number of CSR customer surveys	Number of suppliers following the Code of Conduct Ecodesign indicators Number of circular economy / eco-designed development projects Number of innovation projects aimed at reducing our environmental impact

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Natural resources and respect for the environment

Promotion of ecodesign principles and recyclable materials

Emergence of a viable circular ecosystem

Support the use of remanufactured components

Encourage the reduction, recovery and recycling of production waste

Lead sustainable management practices and simplify the use of natural resources

Promote ecodesign practices

Comply with legislation on substances of concern and substances of very high concern

For its employees :
• Guide our teams to adopt design and production practices that are both virtuous and environmentally friendly
• Reinforce their engagement and their sense of pride being part of the company

For its customers and partners :
• Promote a more resilient and sustainable supply chain

For local communities :
• Promote sustainable lifestyles within our field of activity

Energy consumption (electricity, gas and renewable energy)

Energy intensity (MWh per million euros of revenue)

Waste management

Carbon footprint of our main products

Carbon footprint of our production sites (machine run time)

13 CIMATE ACTION

Impact of our activities and sites

Adaptation of our products and ranges

Sustainable supply chain

Reduce greenhouse gas emissions across the value chain and our internal operations

Combat air and soil pollution

Obtain energy certification for all our industrial sites

Contribute to replacing fossil-fueled transmission systems with electric-powered transmission systems

Advise our customers on minimizing the environmental impacts when using our products

For its employees :
• Limit the environmental impact of our production sites worldwide

For its customers and partners :
• Offer solutions that improve energy efficiency and reduce CO_2 emissions
• Increase transmission system efficiency and provide innovative hydraulic, electrohydraulic and electrical solutions

For local communities :
• Align with the Paris Agreement and build a sustainable future for the next generations

Scope 1 and 2 greenhouse gas emissions (tons of CO_2eq) per site and consolidated across the Group

Scope 3 greenhouse gas emissions (tons of CO_2eq)

Carbon intensity (Scopes 1 and 2 per million euros of revenue)

Number of ISO 50001 certifications (energy management)

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Zero tolerance for corruption

Promotion of business ethics

Training for employees and partners

Manage business relationships with the highest levels of integrity

Demonstrate proper conduct towards partners

Respect the principles of fair competition

Promote due diligence

Actively combat all forms of bribery and corruption

Train and raise awareness among employees and stakeholders on preventing fraud, bribery and cybercrime, protecting personal data, and upholding anti-discrimination practices.

For its employees :
• Follow a fair and ethical approach in all business relationships
• Promote a policy that prioritizes equal opportunities between employees with the same skills, regardless of their ethnic background, religious beliefs, opinions, nationality, age, gender or disability.

For its customers and partners :
• Respect each party's interests and ensure fair contractual conditions.

For local communities :
• Support the protection of human rights within its sphere of influence.

Ethics: Number of employees trained

Ethics: Number of violations

Anti-corruption: Number of employees trained

Number of internal audits

Number of ethical audits

Operational sites covered by the whistleblowing system for internal and external parties (%)

Number of reports submitted through the ethics hotline

Number of investigations and/or corrective actions

Time to remedy issues

Independence of the Board of Directors (%)

Gender equality in the committees (%)

Committee attendance rate (%)

SUMMARY OF OUR ENVIRONMENTAL AMBITIONS AND OBJECTIVES FOR 2030

CLIMATE CHANGE

POCLAIN supports the main goal of COP 21 (Paris Agreement) to limit global warming to 1.5°C by 2050.

We are committed to setting targets in line with the requirements set out in the SBTi* program ("committed" status) and aim to have our ambitious emissions reduction targets and action plan validated by 2025.

AMBITIONS AND OBJECTIVES OF THE POCLAIN GROUP:

- Scale down our absolute Scope 1 and 2** emissions by at least 42% by 2030 compared to 2022 data.
- Reduce Scope 3 emissions by 25% by 2030 compared to 2022.
- Reduce the emissions from each production unit, from raw material extraction to the factory gate, by an average of 10%*** by 2030 compared to 2022.

- Contribute to replacing fossil-fueled transmission systems with electric-powered transmission systems by developing a range of electric and electrohydraulic transmission solutions and components.
- 80% of our energy will be low-carbon by 2030.
- 90% of our industrial vehicles and 100% of our company vehicles will be electric by 2030.
- 100% of our industrial sites will be ISO 50001 - Certified (energy management) by 2026.

WATER

POCLAIN is concerned by the increasing scarcity of freshwater for a vital resource for all living beings. Acting at the local level to make a positive impact on the community is deeply rooted in the Group's culture. As such, POCLAIN is looking to pioneer initiatives to drastically lower its water use and minimize any risk of water pollution from its operations.

AMBITIONS AND OBJECTIVES OF THE POCLAIN GROUP:

- Reduce water consumption at our sites in drought-prone areas by 30% by 2030, compared to 2022 data.
- Cut water consumption across the Group by 15% by 2030.
- Reduce water consumption at each production unit by 30% by 2030.
- Reduce water consumption across our supply chains by 10% by 2030, compared to 2022 data.

- Eliminate all water pollution risks from our activities by 2030.
- All our industrial sites will be ISO 14001-certified by 2026 for their environmental management systems or within three years of starting operations.

(*) SBTi: Science Based Targets initiative

(**) GHG emissions are divided into three scopes:

- *Scope 1 covers direct GHG emissions produced by the company.*
- *Scope 2 covers indirect GHG emissions associated with the company's energy purchases.*
- *Scope 3 covers remissions from the value chain, both upstream and downstream of the company's operations.*

(***) This value may be revised after applying for SBTi validation

CIRCULAR ECONOMY

Protecting the environment also involves efforts to carefully manage natural resources, whether renewable or otherwise.

To attain this goal, the POCLAIN Group is committed to rolling out best management practices and promoting ecodesign principles.

Our LCA (Life Cycle Assessment) studies show that the circular economy offers a wealth of environmental benefits, including less use of non-renewable resources, lower energy requirements and reduced CO_2 emissions.

In addition to recycling materials, POCLAIN aims to build on its early remanufacturing experience and actively contribute to development of a strong circular ecosystem.

AMBITIONS AND OBJECTIVES OF THE POCLAIN GROUP:

- Maintain and promote solutions to customers with the goal of helping bring greater structure to the industry and paving the way for a sustainable model.
- By 2030, all the products from the design offices will be eco-designed.
- Zero waste to landfill by 2030.
- 99% of the mass of our outgoing products and packaging will be made from recyclable materials by 2030.
- 70% recycled content (by mass) in our inputs by 2030.

POLLUTION

POCLAIN cares about the health of its customers and its employees, and the eco-system in general.

POCLAIN firmly believes that its products, waste and activities should not pose risks to people or the environment. Therefore, POCLAIN strictly complies with all regulations relating to pollution and recognized harmful substances.

AMBITIONS AND OBJECTIVES OF THE POCLAIN GROUP:

- Ensure all our industrial sites will be ISO 14001-certified by 2026 for their environmental management systems (or no later than three years after they have started operations).
- Comply with legislation relating to substances of concern and substances of very high concern.

A company committed to taking action !
Find out more:

COMPOSITION OF THE CSR TEAM
POCLAIN: A single identity across the globe!
A collective effort promoting the common good.

PEOPLE

INDEPENDENCE

CORPORATE TEAM

Defines the guidelines for our sustainable development policy, while leading and coordinating our projects

Reports to the Management Committee and Board of Directors

Åsa ESTVALL
*Group CSR
Program Officer*

A.H.
*Board and CSR
Executive Assistant*

A.E.
*Work-Study CSR
Project Coordinator*

CSR CHAMPIONS

Embody the CSR program

Identify, evaluate and coordinate projects within their own area of activity

I.L.
Vice President Global Accounts

S.V.
*New Solutions Engineer
"Motors" Product Line*

C.P.
*Group Management
Control Officer*

C.H-B.
*Group Procurement Manager for
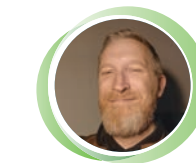Forging, Steel & Machining Commodities*

F.P.
*Industrial Policy Deployment Officer,
Group Energy Coordinator*

J.V.
Innovation Lab Manager

B.J-L.
*Employee Engagement
and Retention Manager*

F.D.
Data and IT Flow Manager

INNOVATION

INTERNATIONAL

CSR EXPERTS

Group subject matter experts within their field of expertise

D.G.	**E.L.**	**S.G.**	**P.T.**	**P.A.**
HSE Manager	*Product Compliance Engineer*	*Group Communications Manager*	*Group Internal Control and Audit Manager*	*Group Quality System Manager*

ENERGY OFFICERS

Local contacts for managing energy improvement projects (electricity, gas and water)

J.K.	**G.B.**	**J.M.**	**S.F.**	**P.F**
Deputy Manager - Maintenance	*MFE & Maintenance Manager*	*Assistant Executive Officer*	*Maintenance / HSE² Manager*	*Manufacturing Engineer and HSE Manager*

O.M.	**B.V.**	**M.L.**	**B.B.**
Plant HSE Manager	*Lean and HSE Technician*	*Maintenance Manager*	*Maintenance Manager*

(1) CSR : Corporate Social Responsibility
(2) HSE : Health, Safety and Environment

ENVIRONMENT

In 2024, our main CSR activities focused on five key projects, which involved implementing the CSRD, tackling climate change (submission of our decarbonation trajectory to the SBTi), preserving water resources, launching ecodesign practices, and reinforcing customer engagement.

To reflect our commitment to protect the environment, two Sustainable Development Goals have been added to our CSR Charter (the SDG to tackle climate change and the SDG to promote clean water). This CSR Charter also clearly express our strong commitments towards our employees and customers.

We have started work on designing our corporate social responsibility report in accordance with the CSRD Directive.

Internal and external training sessions have been organized to align everyone's understanding and provide the knowledge needed to apply the CSRD Directive in practice.

We are in the final stages of selecting an internal data collection system to consolidate, establish and monitor our progress. The Group's industrial sites and business subsidiaries will be asked to provide the corporate team with consistent information on human and social rights, the environment, business ethics and sustainable procurement.

Alongside its CSRD efforts, the Group has also started reviewing European ecodesign requirements (ESPR and DPP) for sustainable products. Key employees have been trained to support the launch of our ecodesign policy. Today, Poclain has a strong expertise in assessing the life cycle (LCA) of its products. A long-term roadmap has been created, outlining updates to knowledge standards and revised project development milestones. Simplified LCAs will need to be integrated into the development cycle for our key projects.

We are also receiving a growing number of requests from our customers asking for information about the carbon footprint of our products. To meet these needs, we need new solutions and skills.

Improving customer engagement was especially challenging in 2024. We sent out over 50 customer surveys on a wide range of topics, such as climate change and decarbonation trajectory, ethics, sustainable procurement, human rights and cybersecurity. Centralizing the results of the surveys helps us improve our assessments, which are then included in our Corporate Social Responsibility (CSR) reports.

Building a strong knowledge base within the company is important, especially to support the sales teams in working with customers. To promote the benefits and sustainability of our products to potential customers and distributors, our sales teams will receive specific training on the ecological transition and the environmental performance of our products.

In 2025, Poclain will continue advancing its REMANufacturing program. Refurbishing used motors gives our customers access to sustainable, cost-effective solutions, while reducing CO_2 emissions and conserving raw materials and water resources.

Our strategy has been defined, and our priorities and commitments are crystal clear... 2025 will be the year we bring them to life!

DECARBONATION TRAJECTORY

Poclain is officially committed to the Science Based Targets initiative (SBTi [1]), aiming to get independent approval for its CO_2 reduction action plan. This initiative shows our strong determination to actively fight climate change and align our Group with the ambitious objectives set during COP 21.

In 2023, the Group committed to having its action plan assessed and validated by the independent body SBTi by the end of 2025. The validation process checks that the CO_2 reduction targets align with the COP 21 objectives, and verifies the accuracy of the calculations and projections behind the projects included in the action plan.

In 2024, the Group analyzed the SBTi's requirements and began the long process of gathering data and setting up the necessary methodology needed to accurately measure our CO_2 emission parameters for Scopes 1, 2 and 3[2]. The evaluation methods follow the international carbon accounting standard, the Greenhouse Gas Protocol (GHG).

Our understanding of the data relating to Scopes 1 and 2 was duly documented.

Moreover, our assessment for Scope 1 and 2 emissions shows a 7% reduction in greenhouse gases between 2022 and 2023. This improvement is due to the projects set out in our "Energy and CO_2" roadmap for 2027.

However, Scope 3 information proved to be much harder to estimate, especially emissions from our customers' activities. This is because of the wide range of products and their different uses. Many of our components are used as part of a machine's transmission system, and until now, we had limited information on how customers use them.

To address this, the Group has chosen a detailed and practical model for its Scope 3 emissions to capture a large part of the data for sold product emissions. In addition, a scalable model has been defined to allow yearly updates with new data through an internal management process.

Poclain partnered with a consultancy to help certify its greenhouse gas inventory for 2022 and 2023. With contributors from the marketing, sales, and engineering departments, we developed a model that covers Scope 3 downstream emissions.

This collaborative effort led the Group to rethink how we involve our customers and value chain in our strategy. Since our industry still relies heavily on fossil fuels, the shift toward equipment to run on electricity and increasing customer demand to decarbonize existing solutions (using technologies such as HEVO) provide valuable information for defining an ambitious pathway in line with the SBTi's expectations.

Our focus will be to continue to increase the competency of the Energy referents onsite and the key actors like maintenance personnel and HSE technicians and engineers. We want to be able to animate a community where best practices are shared to the benefit of all. All the work that we accomplished in 2024 with the consultancy has improved our organization's maturity. We are now ready to assess our carbon footprint for the past year without any outside help.

We have defined our decarbonation trajectory and developed a clear and carefully detailed environmental strategy. We have built a robust filing based on tangible and efficient actions. It will be submitted to the SBTi for validation in the spring of 2025.

Simultaneously, our Ecodesign strategy and our pilot projects will guide us in this direction.

Defining our decarbonation trajectory and the associated projects shows our determination to act upon the challenges associated with Climate change. The start of 2025 marks an important milestone when submitting our SBTi file. It is the ramp up to a more sustainable future.

Our ambition is to transform our group into a role model of environmental responsibility, where innovation and excellence work hand in hand to the benefit of all!

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(1) *SBTi: Science Based Targets initiative*

(2) *GHG emissions are divided into three scopes:*

- **Scope 1**   covers direct GHG emissions produced by the company.
- **Scope 2**   covers indirect GHG emissions associated with the company's energy purchases.
- **Scope 3**   covers emissions from the value chain, both upstream and downstream of the company's operations.

GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ACCORDING TO THE SBTI'S EXPECTATIONS

(baseline year: 2022)

- 42%

- 25%

Scopes 1 & 2
i.e. 5.25% annual reduction between 2022 and 2030

Scope 3
i.e. -3.13% annual reduction between 2022 and 2030

HUMAN

RESOURCES

HUMAN RESOURCES

85% of our employees are proud to work at Poclain!

In 2024, Poclain relaunched its Employee Survey with the aim of measuring its employees' well-being at work, as well as their level of engagement and development around the world.

This survey into the Group's work environment and labor relations was carried out in the fall by means of an anonymous online questionnaire. It achieved a 74% participation rate across all sites (up from 47% in 2023).

The survey covers seven themes and includes 87 questions to assess how well fundamental human principles are being applied. This helps reinforce what has been learned and address any issues that are identified.

Despite ongoing economic challenges, the survey confirms our employees' engagement and involvement. The results show :

- A job satisfaction rate of 72% at Poclain (this rate is on the right track, since the average rate in Europe's private sector is 68%).
- 75% of respondents would gladly recommend working at POCLAIN to friends or family.
- 84% say that they are motivated by their work.
- 85% are proud to work for Poclain.

Great support for Poclain's strategy and values!
Despite the business slowdown in 2024, most of the employees surveyed (82%) feel that Poclain is a dynamic and ambitious capable of moving forward.

According to 89% of employees, innovation and R&D (research and development) are well supported, particularly when it comes to innovating, developing new products and investing in R&D.

- 91% say they are aligned with the Group's strategy, actively contribute to it, and feel motivated by its ambitions.

A policy focused on dialog and performance!
The 2024 survey also asked teams for their impressions on how the company handles the issues that matter to them.

- 87% of employees feel free to express themselves.
- 87% of employees feel they have a good work-life balance.
- 84% believe that the Group focuses on the right CSR issues (carbon footprint reduction, sustainable practices, work-life balance, etc.).

DIVERSITY AND INCLUSION

"Promote equal opportunities and prevent discrimination".

In September 2024, managers received training on how to prevent discrimination during recruitment.

- Gender equality index: 81% vs. 79% in 2023.
- 14% of our employees are under 30.
- 16% of our employees are aged 55 or over

WEALTH SHARING AND SHAREHOLDING

"Ensure fair compensation for those who participate and contribute to the Group's performance."

With skills and human capital constantly evolving, Poclain is focused on building a reputation as a competitive and empowering company that values wealth sharing.

With this objective in mind, we continue to develop our wealth-sharing strategy through diverse compensation packages and employee shareholding. These schemes aim to provide fair compensation that matches employees' responsibilities and their role in driving the company's success.

- 60% of the Group's employees feel their pay is fair.
- 77% of employees are satisfied with the benefits offered by the Group (profit sharing, complementary healthcare, retirement plans, etc.).
- 437 French employees, i.e. 73% of the workforce, currently have an employee savings plan with Poclain.
- 262 French employees (44% of the French workforce) contributed to the corporate savings plan in January.
- The corporate savings plan currently has 861 unitholders (in France).

Expertise and skills!

At Poclain, training helps all employees improve their skills succeed in their job, and boost their employability throughout their professional career.

Training represents an investment in the Group's performance and is a way to meet the challenges our customers face today and in the future.

To support this, the company provides all the tools and resources needed to maintain and develop its employees' hard and soft skills.

Testimonial

Several major transformations were introduced in the Metallurgy division in 2024.

A key event was implementing the new collective bargaining agreement for the metallurgy industry at our Verberie site. The agreement covered several sensitive issues, and Poclain successfully adapted these changes so that everyone could find their balance within the company. This process was carried out as part of a collective effort with workgroups set up to encourage discussions among business leaders from the different fields, and by bringing together everyone's individual skills.

Poclain is a company that constantly keeps up with the times. Over the last 25 years, the company has helped me grow personally, learn news skills through training and take on new tasks and responsibilities.

In the years to come, I'm sure that Poclain's employees will continue to find opportunities to develop new challenges emerge.

C.P,
Head of Personnel Administration France
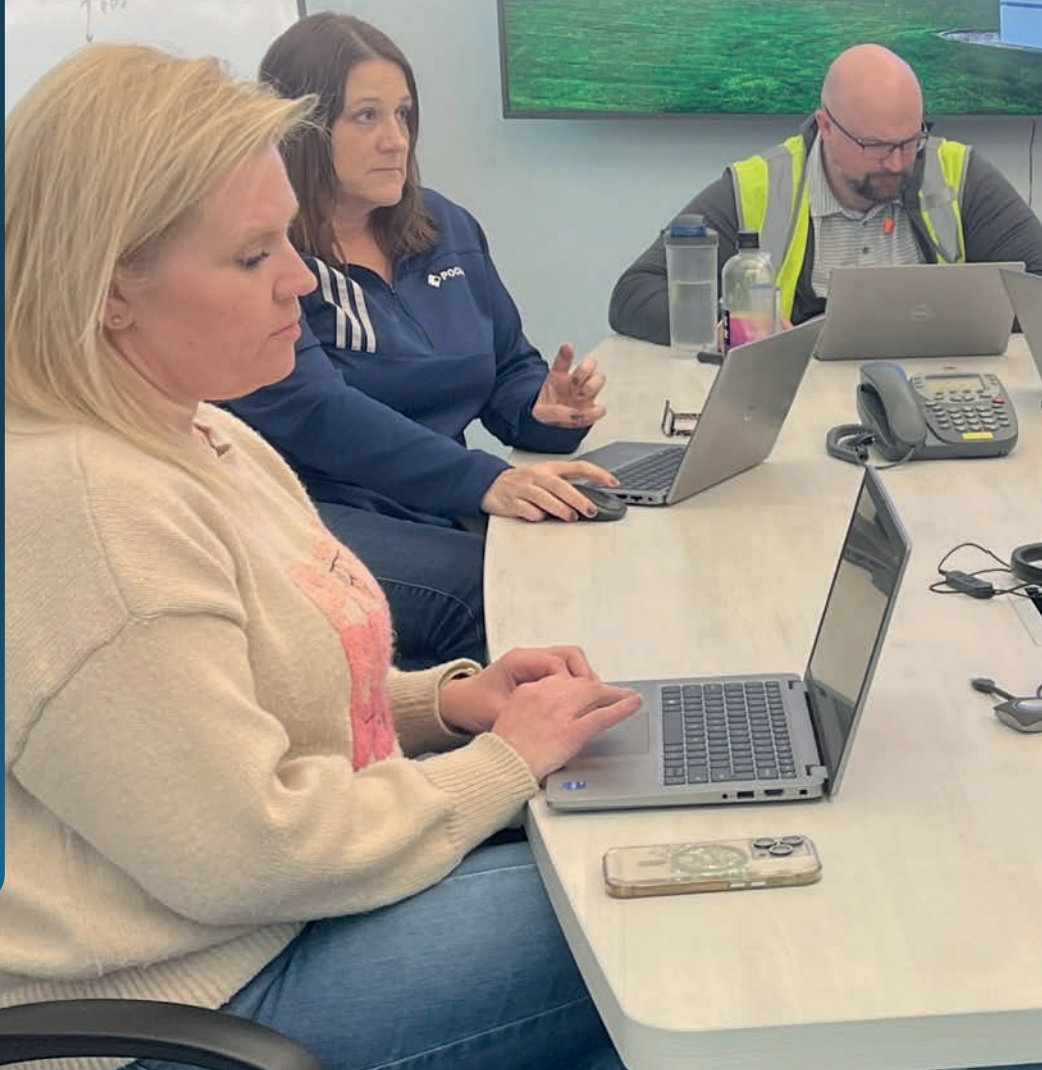
The Group's approach to skills management is based on two major principles:

1. The skills acquisition process must be accessible everywhere in various forms and at every stage in the employee's career. To achieve this, Poclain is continuing to digitize its training content to allow all employees to develop their skills, no matter their situation.

2. All employees are also responsible for their own skills development, but can always count on support from their manager.

Our challenges in 2025 will focus on:

- Overhauling the "Skills and Knowledge" Department to create a unified system that brings together hard skills, soft skills and technical expertise.
- Reviewing and updating the company's existing competency frameworks. By 2026, this process will provide the company with a clear map of employee skill levels in each area of expertise. The project will also include a forward-looking review into the skills needed to support the NEW GEN 2030 strategy and meet the Group's human resources challenges.
- Developing innovative teaching methods.

> 85% of employees say that they are satisfied with the onboarding process for new hires.

> 78% of employees say that the training courses taken meet their needs.

> 84% of employees say that they are well trained to succeed in their job.

OUR TOP 5 SELF-STUDY COURSES :

1. Protection against cyber attacks
2. Password management
3. Generative artificial intelligence
4. Onboarding for new hires
5. Risk prevention and anti-corruption

OUR TOP 5 GROUP TRAINING COURSES:

1. Work in ATEX zones (management of flammable materials). This course has been run in-house since 2024
2. Knowledge of products and systems (course within the onboarding process)
3. Effectuation Basics - Workshop
4. MT07 motor
5. Intellectual property at Poclain (patents)

NEW TRAINING COURSES LAUNCHED IN 2024:

- E-mobility (self-study)
- Using a 3D printer at the Verberie FABLAB (self-study)
- Artificial intelligence

CAREER MANAGEMENT:

After assessing individual potential and performance, targeted development pathways have been launched and will continue in 2025.

- 87% of employees say that they would like to continue their career with Poclain.

HEALTH AND SAFETY:

After assessing individual potential and performance, targeted development pathways have been launched and will continue in 2025.

- 95% of employees say that safety is a fundamental issue for them and their colleagues.
- 94% of employees say that the company takes to their safety seriously.
- 94% of employees feel physically safe in their work environment.
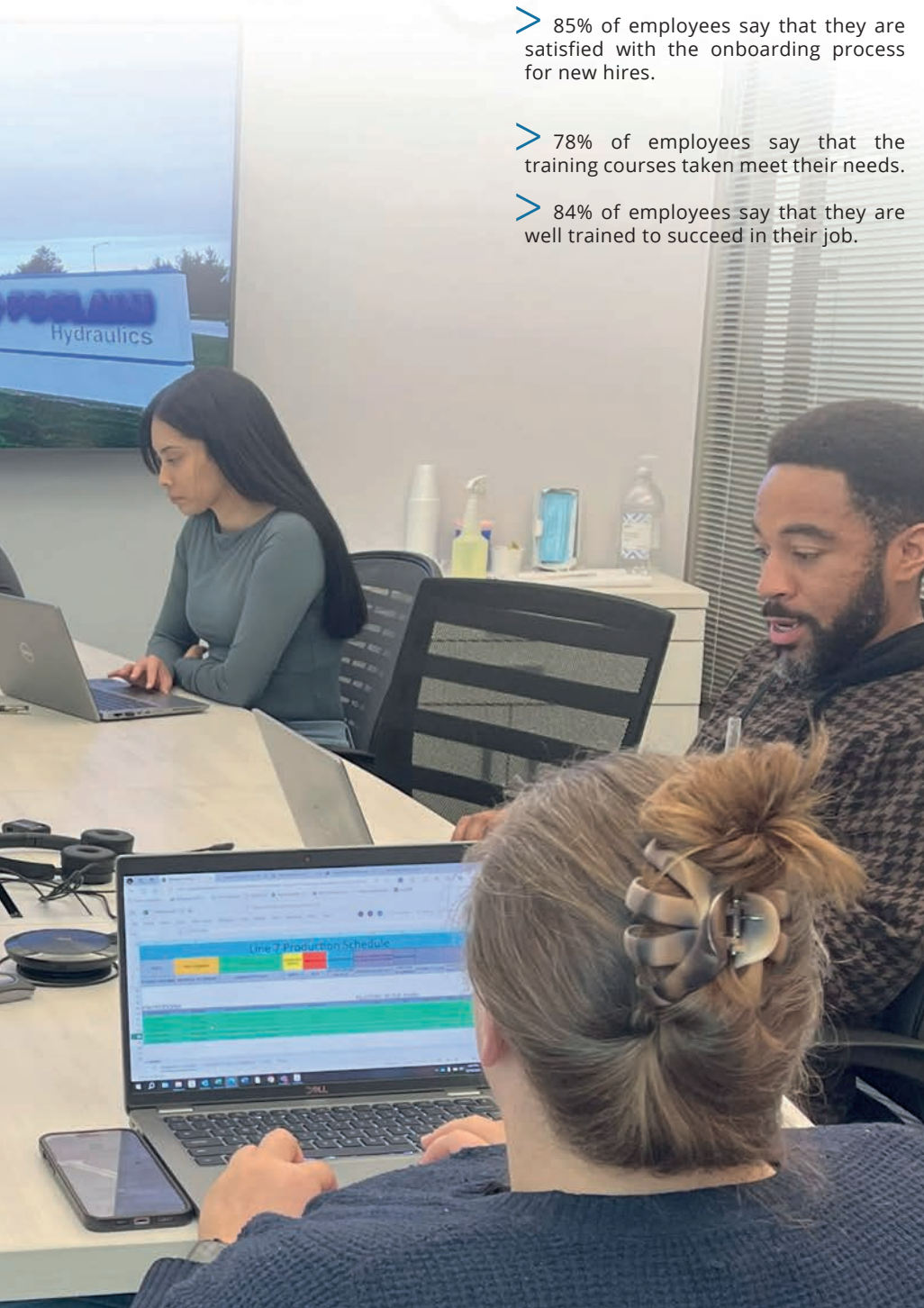
OCCUPATIONAL HEALTH AND SAFETY

OUR SAFETY PERFORMANCE HAS STEADILY IMPROVED OVER THE LAST THREE YEARS !

Safety inspections remain the cornerstone of our occupational risk reduction program.

In 2022, Poclain launched an ambitious and necessary roadmap to build a strong foundation for improving its operational management practices.

The main objective was to halve the number of lost time accidents each year by addressing the main cause people's behavior.

We are proud to see that results reflect a successful collective effort !

Safety inspections were conducted quarterly for every field employee. This measure was essential in demonstrating our commitment.

The lost time injury rate (LTIR) was reduced by a factor of three between 2022 and 2024, and the number of lost time accidents fell from 39 accidents in 2022 to 15 accidents in 2024.

Safety inspections

3,332 inspections in 2024 vs. 2,664 in 2023 and 1,000 in 2022.

LTIR*

0.81 in 2024 vs. 0.99 in 2023 and 2.35 in 2022.

Lost time accidents

15 accidents in 2024 vs. 20 accidents in 2023 and 39 in 2022.

(*) LTIR : lost time injury rate or number of lost time accidents per 200,000 hours worked a year

« *Testimonial*

In Brno, the Safety Walk program, which involves carrying out safety inspections at the different workstations and enforcing mandatory rules, is a key part of our safety culture.

While these rules improve working conditions and the work environment, safety inspections actively involve employees in making their jobs safer by focusing on their behavior and raising awareness of safety measures.

All the efforts over the last two years have led to a significant drop in lost time accidents, especially in 2024, when only one was recorded. This means that the Group's LTIR target for our site has been achieved.

Our employees are increasingly engaged in safety, which is reflected in the large number of «near miss» reports, i.e. over 100 in 2024. This shows just how many accidents were avoided.
The number of people attending our HSE events has also grown each year.

Our hard work is clearly paying off, and we're excited to keep promoting safety at our plant!

Z.K,
HSE Coordinator (Health, Safety and Environment)

CSR

The next steps to improve safety at our sites include

• *Consolidating our professionalism when performing daily safety inspections by strictly following the set methodology.*

• *Strictly complying with the mandatory rules that support our workplace safety program.*

◆ 11 MANDATORY RULES

01. Work at height

02. Manage hydraulic risks

03. Risk prevention plan

04. Fire-fighting

05. Handling equipment

06. Traffic risks

07. Chemical risks

08. Equipment lockout-tagout procedures

09. Explosive atmospheres

10. Work permits

**11.** Collective and individual protection

The Mandatory Rules cover 11 areas of activity and are strictly followed at all our industrial sites:

	Work at height	Manage hydraulic risks	Risk prevention plan	Fire-fighting equipment	Handling equipment	Traffic risks	Chemical risks	Equipment lockout-tagout procedures	Explosive atmospheres	Work permits	Collective and individual protection
	MR1	MR2	MR3	MR4	MR5	MR6	MR7	MR8	MR9	MR10	MR11
TOTAL	84%	88%	82%	91%	80%	87%	78%	64%	52%	56%	69%

Total = Deployment rate of the mandatory rules
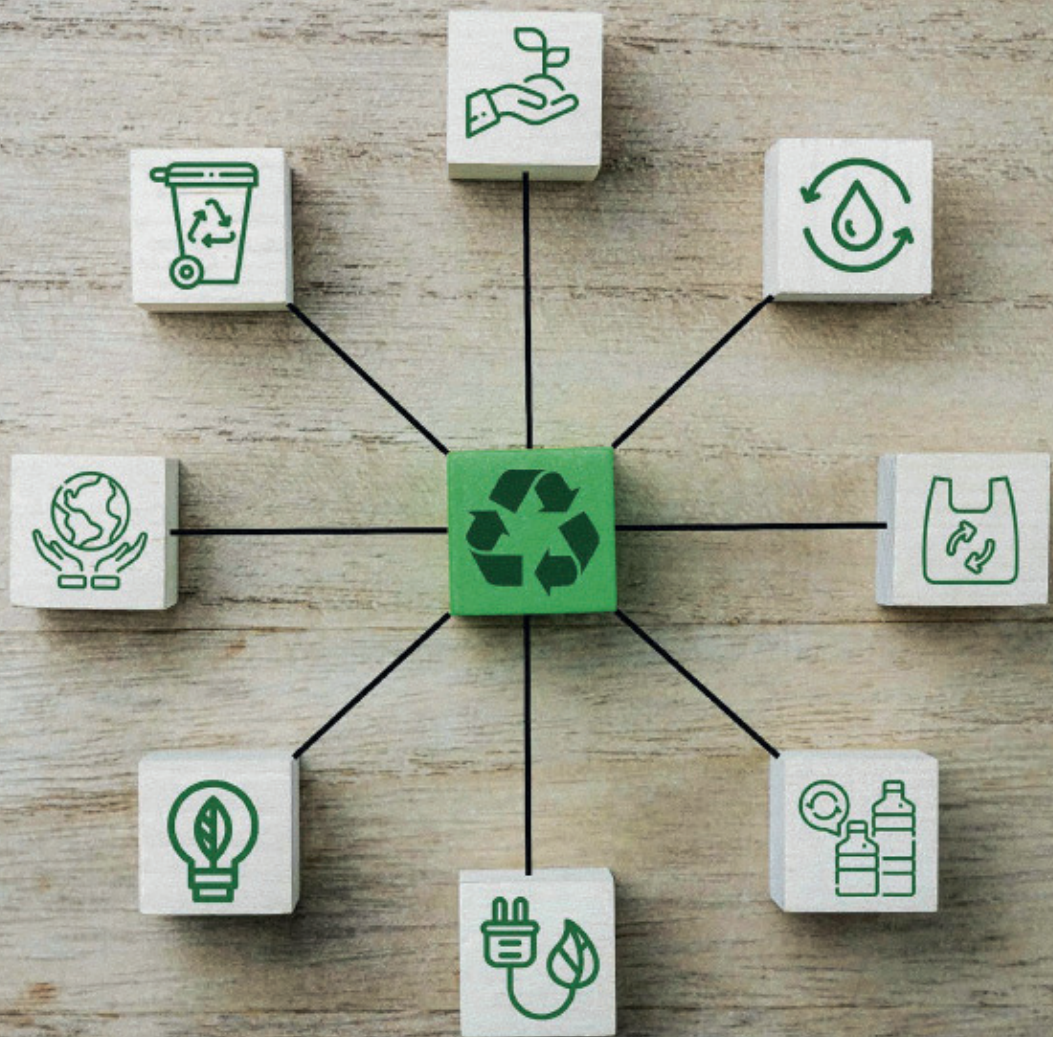
SUSTAINABLE PROCUREMENT

A key role in a large-scale CSR policy !

Procurement represents a major share of the company's revenue, meaning that it plays a major role in our Corporate Social Responsibility efforts.

As such, the procurement team is closely involved in initiatives to reduce our environmental footprint and promote sustainable, ethical and responsible practices throughout the supply chain.

This is important for achieving our SBTi (Science Based Targets initiative) goals on upstream Scope 3 emissions, which are a key part of our roadmap to reduce GHG emissions by more than 25% compared to 2022.

Preparing a carbon audit for purchased goods and services

As part of this process, the Procurement Department supported the carbon audit of the Group's purchased goods and services. The audit allowed us to measure the CO_2eq emissions and launch the appropriate reduction strategies.

A good example is Poclain's decision to shift a large share of its special steels purchases from blast furnace steelmaking to electric furnace steelmaking.

A roadmap has also been set up to support the Group's commitment to prioritizing a "local for local" approach. By reducing the distance between suppliers and the sites using their products, this strategy helps minimize transport-related emissions.

> ## *Testimonial*
>
> *As part of our decision to switch over to electric furnace steelmaking in 2024, we not only aligned with the Group's goal of reducing our carbon footprint, but also strengthened the company's competitive edge.*
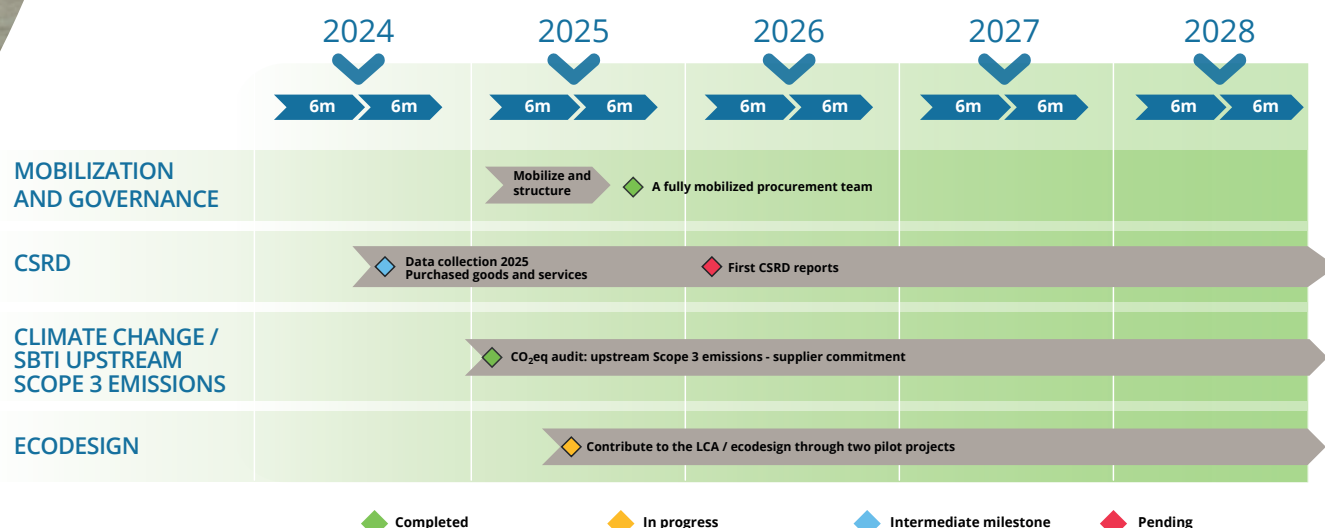>
> *This achievement is worth pointing out, as CSR-friendly alternatives are often viewed as more expensive and less profitable.*
>
> *C.H-B,*
> **Group Procurement Manager for Forging, Steel & Machining Commodities**

Making Procurement a driver of sustainable performance

Ultimately, rolling out a Sustainable Procurement policy goes beyond regulatory compliance. It's a tremendous opportunity to transform Procurement into a driver of sustainable performance, despite the fact that the most responsible materials, goods and services are often, unfortunately, the most expensive.

Poclain must find the right balance between its investments in sustainable solutions and profitability, especially in a difficult and uneven market. This is where the expertise of our Procurement Department plays a vital role.

The entire Procurement Department is stepping up to the plate, committed to taking an active and responsible part in preparing for the world of tomorrow.

PROCUREMENT DEPARTMENT'S CSR PATHWAY

	2024		2025		2026		2027		2028	
	6m	6m	6m	6m	6m	6m	6m	6m	6m	6m
MOBILIZATION AND GOVERNANCE			Mobilize and structure	◆ A fully mobilized procurement team						
CSRD		◆ Data collection 2025 Purchased goods and services			◆ First CSRD reports					
CLIMATE CHANGE / SBTI UPSTREAM SCOPE 3 EMISSIONS			◆ CO_2eq audit: upstream Scope 3 emissions - supplier commitment							
ECODESIGN			◆ Contribute to the LCA / ecodesign through two pilot projects							

◆ Completed   ◆ In progress   ◆ Intermediate milestone   ◆ Pending

ECODESIGN APPROACH

Advances in developing eco-designed products

POCLAIN MOVES BEYOND THE LEARNING PHASE AND ACCELERATES!

Eco-designed products: essential for the future!

As environmental issues become critical, the need to develop products with ecodesign principles has become a top priority. Ecodesign means creating products or services that carefully consider their environmental impacts over their entire life cycle, aiming to reduce those impacts as much as possible.

Development of internal tools and skills

In 2023, the company carried out an environmental assessment of the life cycle of a bestselling hydraulic motor. The study highlighted the important role that certain factors play in the product's design, manufacturing process, distribution and use.

In 2024, Poclain took a step further by integrating ecodesign principles into its product and process development methods. This commitment supports our goal of applying ecodesign practices into all our developments by 2030.

What exactly is an eco-designed product?

It is a product that has been designed to reduce its environmental impacts throughout its life cycle, from raw material extraction to end-of-life disposal.

This involves two key steps: first, knowing how to measure the impacts, and second, proving that these impacts have been reduced compared to a previous, similar product.

This process is complex and demanding, requiring accuracy, precision, and the right tools. Several tools are available, from simple to complex life cycle assessments (LCAs), each needing different levels of expertise. Poclain has chosen a simple LCA that is perfectly aligned with the company's needs.

Acquiring a new solution is clearly a serious decision, since it is aimed at protecting our sensitive data, such as our production sites, materials and suppliers. In addition, this tool will also help Poclain quickly and effectively meet the growing customer demand for assessing the environmental impact of our products.

Poclain has chosen the "EcoDesign Studio" solution developed with CETIM (Technical Center for the Mechanical Industries). A program will be launched to train our teams on the application, including training for two main users with support from an external organization. These two key users will then be involved in various projects and train local users at our development sites.

The "EcoDesign Studio" software evaluates several environmental impact criteria, including two key ones aligned with our global CSR roadmap, i.e. CO_2eq emissions and water consumption.

Integrating ecodesign principles into our development processes

This is an essential approach during the development phase for any new project. The design phase is the most important part of the process, since it determines 80% of a product's environmental impact. That's why it's essential to address environmental factors early by applying strong ecodesign principles to all new projects.

By the end of 2025, we aim to complete a Proof of Concept (PoC) for two "Motor" projects. Work will be shared with other product lines to help roll out ecodesign principles more smoothly. These PoCs will effectively be integrated into our project organization and eventually, ecodesign will become a required part of our development process.

An ambitious skills-building plan

At the same time, we will launch a training plan. Design rules (Knowledge Standards for Design and Process) will be set up for designers, with training sessions organized accordingly. Looking further ahead, ecodesign expertise will be included as part of our Expertise business line.

Testimonial

Why did you choose the ML04 project for developing the ecodesign strategy ?

From the very start of the study, technical decisions were taken with the environmental impacts in mind. The motor's architecture was designed to enhance performance and reduce energy consumption. The ML04 is also compact, uses less material and therefore limits its impact on the environment.

The ML04 project is an ideal opportunity to build the PoC and confirm our technical choices from a quantitative perspective, while strengthening our ecodesign skills. It is an innovative activity for both our project teams and all the business lines. Through the proof of concept, we are looking to raise our teams' awareness and skills in using the ecodesign methodology and tools, while making this approach a standard part of our development process."

How does Poclain benefit ?

First, the quantified environmental impact results will provide a solid foundation for our marketing communication efforts. By highlighting how the ML04 performs better environmentally than the MS05, we can position it as a more sustainable solution and better attract our environmentally conscious customers.
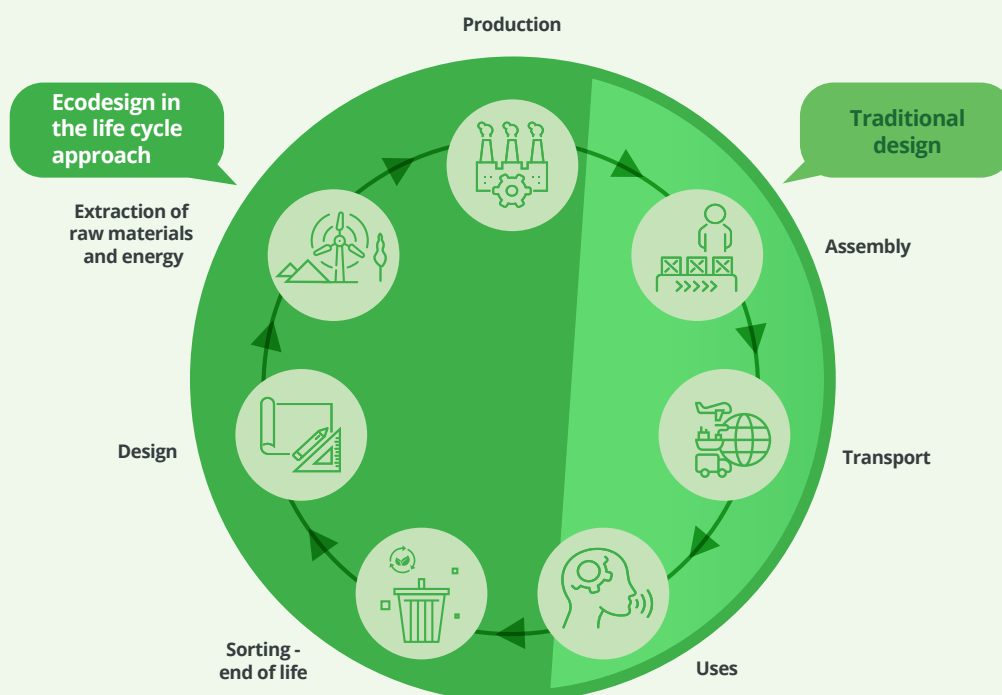
In addition, by sharing clear, accurate and measurable data on the reduction in the product's environmental impacts, Poclain will build greater confidence among its customers while addressing their growing concerns. This will also allow for closer collaboration during the project phase to work closely alongside them to help reduce the overall impact.

Finally, we're staying ahead of future regulations and meeting our customers' demands for environmental data."

S.M,
Projects Manager

The different stages in the ecodesign approach

Production

Ecodesign in the life cycle approach

Traditional design

Extraction of raw materials and energy

Assembly

Design

Transport

Sorting - end of life

Uses

GOVERNANCE

A dynamic, committed governance structure !

Poclain has built a mature governance system, capable of withstanding global market pressures while responding to the latest developments in technology and regulations.

It comprises five Specialized Committees that issue recommendations and prepare the work for the Board of Directors.

In 2024, three new directors joined the Board, replacing members whose terms had ended. A family director and two independent directors have joined the Board of Directors, which has led to the appointment of new members within the Specialized Committees, namely the Strategic, Audit and Risks, Accounts, Compensation, Appointments, and Governance committees.

Our directors demonstrated strong commitment, illustrated by their high attendance rate (97.18%). This high level of participation reflects their desire to be fully involved in the Group's development and growth.

Members had a busy schedule, with six Board meetings, three Audit and Risks Committee meetings, three Strategic Committee meetings, three Appointments Committee meetings, one Accounts Committee meeting, one Remuneration Committee meeting, and one ad-hoc Committee meeting.

Meetings topics included:
- The Group's development and external growth, such as integrating and stabilizing the activities of our two recent acquisitions (EMSISO and MOTEG).
- Technology (with our HEVO and E-mobility programs).
- Strategy, with the development of the NEW GEN 2030 plan.
- Environmental and social issues, with the implementation of the CSRD.
- Regulatory compliance topics.

The Group's ability to implement the associated projects demonstrates its commitment to building a forward-looking, responsible and ethical governance structure.

Compliance - a cornerstone for effective Governance:
Complying with applicable laws and ethical standards is a strategic way to build trust, protect our financial health and effectively managing risks.

Poclain remains fully committed to improving its risk management and compliance practices. The Group launched several improvement initiatives in 2024 to reassess its risks, review its compliance policy and develop a new management and business ethics policy :

- A new risk map using a methodology based on benchmarking was created in 2024 by the members of the Management Committee, the Audit and Risks Committee, the Family Council, 70 managers and the statutory auditors. Nine major risks have been identified, and a strengthened remediation plan will address them. The assessment will be reviewed in light of the 2025-2030 strategy.

- Our Compliance policy has been revised to cover all relevant areas (anti-corruption and anti-money laundering, respect for fair competition, respect for human rights, safety in the workplace, conforming products and services, personal data protection, and so on).

- Group Compliance Guidelines describe the scope, processes, organizations and standards that will apply to all areas of Compliance. Roles and responsibilities have been defined to improve how the compliance system works, relying on a network including local, Group and Corporate stakeholders. Operational rollout is planned for early 2025.

- A new management and business ethics policy has been developed to ensure compliance with laws, regulations, ethical standards and internal policies in all the company's operations. It aims to ensure that all business activities follow the applicable rules and standards, while preventing and addressing potential violations of the regulations and internal policies.

- These two policies have been added to our Documentary Corpus, which will also be supplemented by a GDPR (General Data Protection Regulation) policy, a Human Resources Policy and a CSR Policy.

- These policies will be included in the POCLAIN Code of Conduct, which will undergo an update in 2025.

Together, Compliance and Governance form the foundation for a culture of integrity and exemplary behavior across the company, with managers and directors leading by example.

INTERNAL CONTROL AND INTERNAL AUDIT

Internal control, internal audits and risk management are key to anticipating and meeting the challenges in today's ever-changing business world.

Economic, social and environmental issues – made worse by conflicts, climate change events, political instability and regulatory changes – are causing organizations to redefine their priorities.

As such, companies are adapting to this changing landscape by strengthening their resilience to identify, prevent and manage risks building greater resilience.

Risk analyses are carried out for the Group's strategic programs (such as HEVO and eMobility). The company is also focusing on its sites' exposure to natural risks, the process of transferring its industrial activities in Italy to a new site, and new changes in regulations (REACH, PFAS, etc.). POCLAIN carried out a specific study for India, since the country represents a strategic territory for growing the Group's business activities and supplier base.

To enhance our analyses, we use benchmarks shared by risk management experts while involving our partners (insurers, insurance brokers, statutory auditors, and external directors).

Specific campaigns have been organized to better prepare our teams against the risks of fraud and corruption.

During the on-site audits in 2024, 127 employees who work directly with third parties took part in the corruption risk assessments and training sessions. These are in addition to the 420 employees who were trained in previous years.

Training modules and a serious game called "In search of integrity" proposed by the AFA (French Anti-Corruption Agency) have been created and made available to employees worldwide.

Awareness of fraud risks (fake suppliers, fraudulent payments, bank transfer scams, social engineering attacks, deepfake images and voice, etc.) has been raised in the Procurement and Finance communities, as they are especially vulnerable to these threats.

These initiatives help create a strong risk management culture across the company and reinforce the internal control system used for internal audits.

The internal audits scheduled for 2024 were carried out as planned (the German business subsidiary, the industrial sites in Marnaz, Verberie, Žiri and Spilamberto, and phase "1" of the audit into the human resources functions (corporate and sites located in France).

With the 2024 audits, POCLAIN successfully concludes the industrial site audit campaign that was launched mid-2022.

The 2025 audit plan incorporates the recommendations issued by the Audit and Risks Committee and will cover phase "2" of the audit into HR, EMSISO, MOTEG and the business subsidiaries.

POCLAIN CORPORATE FOUNDATION

The Poclain Corporate Foundation in action!

The Poclain Corporate Foundation is much more than a simple initiative!

It carries forward the vision that the Group's founder Georges Bataille set out many decades ago.

Today, our project leaders are keeping this ambition alive, driven by the strong belief that every project, big or small, adds meaningful value to our Group.

Our employees' energy and dedication in bringing this vision to life were clearly evident in 2024, marking an important step in increasing our brand visibility.

As a result, the Foundation has been approached by employees in France, the Czech Republic, Slovenia, and the United States, which is an encouraging sign well for the future.

TWO PROJECTS WERE CHOSEN AND FUNDED:

1. L'Ouvre-Boîte Compiègne is an entrepreneurial-based social inclusion program run by the Apprentis d'Auteuil foundation. It supports young people aged 18 to 30, who have little or no qualifications, by helping them start off their small business ideas.

The Foundation was very proud to provide €10,000 in funding to support a member of the "BATAILLE" class, made up of 11 young people.

Close follow-ups were carried out along the way, including a visit to the Verberie site. For most participants, this was the first time experiencing an industrial environment, which sparked curiosity and boosted their interest in the field.

It was also with great pleasure that we attended the graduation ceremony on February 27, 2025, in the presence of Mr. Jérôme Bataille, and the Mayor of Compiègne, Mr. Philippe Marini.

2. The collaborative project with the Marcel Pagnol school in Beauvais, France

Exploring new interests and creating future opportunities are fundamental missions for the school and students' families. However, we know that inequalities often stand in the way, especially for underprivileged communities, where parents may face job insecurity' and lack access to the right information.

The Poclain Corporate Foundation contributed €3,000 towards transportation, so that children could visit industrial companies in the Beauvais area.

> ❝
> *Testimonial*
>
> *The financial support received from the Poclain Foundation plays a key role in launching and sustaining the L'Ouvre-Boîte program run by the Apprentis d'Auteuil foundation. Through the involvement of its managers, Laurent and Jérôme Bataille, it also inspires young local entrepreneurs. The site visit provided an opportunity to reflect on the local entrepreneurial culture.*
>
> *In the long term, this partnership could also create opportunities for training, employment and word of mouth promotion of future projects.*
>
> *In conclusion, end-to-end collaboration is essential for giving young people access to the network that they are lacking and supporting their integration into society through business creation, employment or training.*
>
> *A.F,*
> **Head of L'Ouvre-Boîte Compiègne**
> ❞

In addition, the Poclain Foundation received more than a dozen requests to support external projects. While many of these are relevant to the Foundation's themes of Education and Employability, they are often located far from our sites, and this important criterion is taken into account for the Foundation's support:
- "Like the others" in the Provence-Alpes-Côte d'Azur region
- "Give your project a boost" in Touraine
- "Give your project a boost" in Paris

Conviction, Ambition and Achievement : these are the keywords guiding the Foundation in 2025!

We are **determined** to keep this commitment and continue inspiring our project leaders to take action.

We have the **ambition** to increase awareness and visibility of the Poclain Corporate Foundation. To do this, we will roll out a dedicated communication plan and keep working on improving our communication tools.

We are determined to support and **achieve** more high-impact projects, providing real solutions to help international projects and develop our skills sponsorship program.

The reporting format will change by 2026 to comply with the new regulations (CSRD) for which the company is already preparing.

TARGET OBJECTIVES	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
6 CLEAN WATER AND SANITATION	• **Sustainable management of water resources** • **Prevention to avoid any risk of pollution**	• Water consumption by site and Group consolidated data • Quantity of water discharged • Water intensity

	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
8 DECENT WORK AND ECONOMIC GROWTH	• **Safety in the workplace** • **Continuous development of our employees' skills** • **Sustainable, profitable growth**	• Number of employees • Number of work-related accidents • Group employee satisfaction survey • ISO certifications within all the Group entities, including : - ISO 14001 (Environment) - ISO 45001 (Occupational health & safety) • ISO 50001 (Energy management) • Group's lean transformation • Hours of t raining per employee • Number of customer CSR surveys

By that time, partial data for EMSISO and MOTEG will be incorporated.

• Reduce pollution and water consumption
• Reuse and recycle water, focusing on Initiatives and Increasing efforts at our sites where local water stress Is already a cause for concern.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
Water consumption at the Verberie site		Cubic meters		8 351	12 501	11 759
Water consumption at the Marnaz site		Cubic meters		1 228	1 554	1 240
Water consumption at the Brno site (Czech Republic)		Cubic meters		8 286	8 871	7 689
Water consumption at the Žiri site (Slovenia)		Cubic meters		4 348	3 923	3 802
Water consumption at the Puducherry site (India)		Cubic meters		4 880	5 276	5 020
Water consumption at the Shanghai site (China)		Cubic meters		1 090	1 056	1 000
Water consumption at the Yorkville site (USA)		Cubic meters		16 262	9 986	11 931
Water consumption at the Spilamberto site (Italy)		Cubic meters		1 953	2 154	2 359
Water consumption Group consolidated data		Cubic meters		46 398	45 321	44 800
Quantity of water discharged		Cubic meters				Currently being consolidated
Number of water pollution incidents				0	0	0
Water Intensity		Cubic meters for every millon euros of revenue		92,8	89,2	114,3

• Protect heallh and continuously promote tafet¥ In the workplace
• Olfer decent. rewarding Jobs. provide training. promote entrepreneurship and support subsidiarity
• Promote and follow International labor standards
• Ensure that Industrial growth does not harm the environment
• Support young people with l earning dlfflcult les
• Avoid any Involvement In human rights abuses.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
Number or permanent employees					2 129	2 020
Number of non-permanent employees					289	123
Permanent workforce covered by a health management system		%			100%	100%
Resignations by gender (men)		Number			127	126
Resignations by gender (women)		Number			36	27
Employees who have completed a performance review		%			94%	97%
Participation rate in the satisfaction survey		%			47%	74%
Satisfaction rate	Percentage of employees satisfied with working at Poclain	%			82%	72%
Recommendation rate	Percentage of employees who would gladly recommend working at Poclain to friends or family	%			79%	75%
Number of work-related accidents (LTIR)	Number of work-related accidents, days lost and severity	LTIR calculation methods	2,14	2.35 (1.22 for the second half of the year)	0,99	0,81
Number of ISO certifications across the Group	Measuring progress towards obtaining ISO and IATF certincatlon	Valid IATF and ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certifications	20	20	20	20
Number of ISO 45001 certifications across the Group			6	6	6	6
Progress in the lean transformation process	Actual achievement in producing lean actions	% of the roadmap achieved on a quarterly basis (number of workshops held)	79%	102%	90%	87%
Number of hours of training per employee	Employee development has a positive impact on the HR process, from hiring to performance reviews. We are plannlng to provide at least 50,000 hours of training per year	Number of training hours divided by the number of employees	23 hours / person	20 hours / person	33 hours / person	20 hours / person
Number of customer CSR surveys	Survey relating to the environmental impact of our activities, ethics, human and social rights, governance, etc.				4	50

TARGET OBJECTIVES	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• **Innovative technologies for our customers** • **Partnerships throughout the supply chain to contribute to its sustainability**	• Suppliers adhering to the Code of Conduct • Ecodesign and environmentally friendly innovation projects

	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• **Natural resources and respect for the environment** • **Promotion of ecodesign principles and recyclable materials** • **Emergence of a viable circular ecosystem**	• Energy consumption • Waste management • Carbon footprint

• Achieve a high level of performance through technological developments and innovation
• Encourage the development and dissemination of environmentally friendly technologies
• Use low-carbon and/or renewable energy sources
• Improve the energy efficiency of operations and buildings
• Obtain environmental certification for all our industrial sites.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
Number of suppliers adhering to the Code of Conduct	In 2021, the "supplier" code of conduct was reviewed and updated to reinforce compliance and sustainability commitments.	File shared and completed by the entire Sourcing community (to be replaced by the Portal)	323 suppliers > €10K / year (52% of suppliers €10K / year) 0 focus on suppliers < €10K / year	50% of suppliers or 75% of revenue	60% of suppliers or 79% of revenue	Currently being consolidated
Ecodesign indicators	Roadmap and definition of ecodesign ambitions			Environmental footprint study in progress	Roadmap under development	Roadmap defined Indicators currently being defined
Number of environmentally friendly innovation projects	Projects meeting ecological challenges and our environmental ambitions				2	4

• Support the emergence of remanufactured components
• Encourage the reduction, recovery and recycling of production waste
• Champion sustainable management practices and streamline the use of natural resources
• Promote ecodesign practices
• Comply with legislation on substances of concern and substances of very high concern.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
Energy consumption (electricity)		MWh		45 667	45 481	43 564
Energy consumption (gas)		MWh		6 970	6 270	7 633
Energy consumption (renewable energy)		MWh		6	404	668
Energy intensity		MWh for every million euros of revenue		105,3	102,7	132,3
Waste management	(Plastic, cardboard, paper, wood, oil, solvents, scrap metal, etc.)	Tons		8 695	9 164	6 750
Carbon footprint of our main products	Definition of the baseline data to determine the carbon footprint of our main products			Environmental footprint study in progress	2.4 tons of CO_2 emitted for an MS02 motor (the Group's bestselling product).	2.4 tons of CO_2 emitted for an MS02 motor (the Group's bestselling product).
Carbon footprint of our production sites (machine run time)	kg of CO_2 equivalent per MRT* generated by the energy consumption of the industrial sites	Conversion according to ADEME databases GHG protocol method	21.43 kg CO_2 / MRT	21.43 kg CO_2 / MRT	18.61 kg CO_2 / MRT	Carbon footprint currently being defined

TARGET OBJECTIVES	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
13 CLIMATE ACTION	• **Impact of our activities and sites** • **Adaptation of our products and ranges** • **Sustainable supply chain**	• Scope 1, 2 and 3 greenhouse gas emissions (tons of CO_2eq.) • Number of ISO 14001 certifications (environmental management) • Number of ISO 50001 certifications (energy management)
	TARGET OBJECTIVES	SUBJECTS MONITORED AND/OR MEASURED *(TO BE SUPPLEMENTED BY OTHER INDICATORS IN 2026 AND 2027)*
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• **Zero tolerance for corruption** • **Promotion of business ethics** • **Training for employees and partners**	• In-house ethics and anti-corruption training • Ethical violations • Compliance audit assignments

- Reduce greenhouse gas emissions throughout the value chain and internal operations
- Fight air and soil pollution
- Obtain energy certification for all our industrial sites
- Contribute to replacing fossil-fueled transmission systems with electric-powered ones
- Help customers minimize environmental impacts when using our products.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
Scope 1 and 2 greenhouse gas emissions - Verberie	• Direct greenhouse gas emissions produced by the company (Scope 1) • Indirect GHG emissions associated with the company's energy purchases (Scope 2)	(Tons of CO_2eq.)		1 070	1 087	Consolidation in progress
Scope 1 and 2 greenhouse gas emissions - Marnaz		(Tons of CO_2eq.)		296	275	
Scope 1 and 2 greenhouse gas emissions - Brno (Czech Republic)		(Tons of CO_2eq.)		6 911	6 590	
Scope 1 and 2 greenhouse gas emissions - Žiri (Slovenia)		(Tons of CO_2eq.)		1 837	1 643	
Scope 1 and 2 greenhouse gas emissions - Puducherry (India)		(Tons of CO_2eq.)		7 008	6 315	
Scope 1 and 2 greenhouse gas emissions - Shanghai (China)		(Tons of CO_2eq.)		462	473	
Scope 1 and 2 greenhouse gas emissions - Yorkville (USA)		(Tons of CO_2eq.)		6 196	5 812	
Scope 1 and 2 greenhouse gas emissions - Spilamberto (Italy)		(Tons of CO_2eq.)		1 314	1 254	
Scope 1 and 2 greenhouse gas emissions - Group consolidated data		(Tons of CO_2eq.)		25 094	23 449	
Scope 3 greenhouse gas emissions	Greenhouse gas emissions from the value chain, both upstream and downstream of the company's operations	(ktons of CO_2eq.)		28 929	27 831	Consolidation in progress
Carbon intensity	(Scopes 1 and 2 for every million euros of revenue)	(Tons of CO_2eq. / millions of euros)		50,2	46,2	Consolidation in progress
	Environmental management		6	6	6	6
	Energy management		4	4	4	4

- Manage business relationships with the highest integrity
- Show proper conduct towards partners
- Respect the principles of fair competition
- Promote due diligence
- Take action against all forms of bribery and corruption
- Train and educate our employees and stakeholders on fighting fraud, bribery and cybercrime, protecting personal data, and supporting anti-discrimination practices.

Monitored indicator	Description	Calculation data	Starting data	2022 results	2023 results	2024 results
ETHICS: Number of employees trained	Number of employees who completed the questionnaire with the score achieved	Certificates issued	Not measured	Not measured	Not measured	Not measured
ETHICS: Number of violations	Number of ethics cases opened by the internal audit team following a violation of the code of ethics.	Follow-up table	1	1	2	0
ANTI-CORRUPTION: Number of employees trained	Number of employees who have taken the anti-corruption e-learning module Number of employees who have received on-site anti-corruption training from the Poclain auditor	Certificates issued and self-assessments completed	221	221	420	547
COMPLIANCE: Number of audits	Number of internal audit assignments opened on compliance issues with their audit reports		1 assignment in 2021	7 assignments	5 assignments	6 assignments
ETHICS: Number of audits	Number of internal audit assignments opened on compliance issues			7 assignments	5 assignments	6 assignments
Operational sites covered by the whistleblowing system for internal and external parties		%			100%	100%
Number of reports submitted through the ethics hotline						1
Number of investigations and/or remedies						1
Time to remedy issues						In progress
Independence of the Board of Directors (%)	Percentage of family directors on the Board of Directors	%		50%	50%	50%
Gender balance in the committees (%)	Women on the Board of Directors	%		16,7%	16,7%	16,7%
Committee attendance rate (%)	Attendance at Board and Specialized Committee meetings	%		93,9%	94,4%	97,2%

(*) MRT: Machine run time - a metric for measuring industrial activity.

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