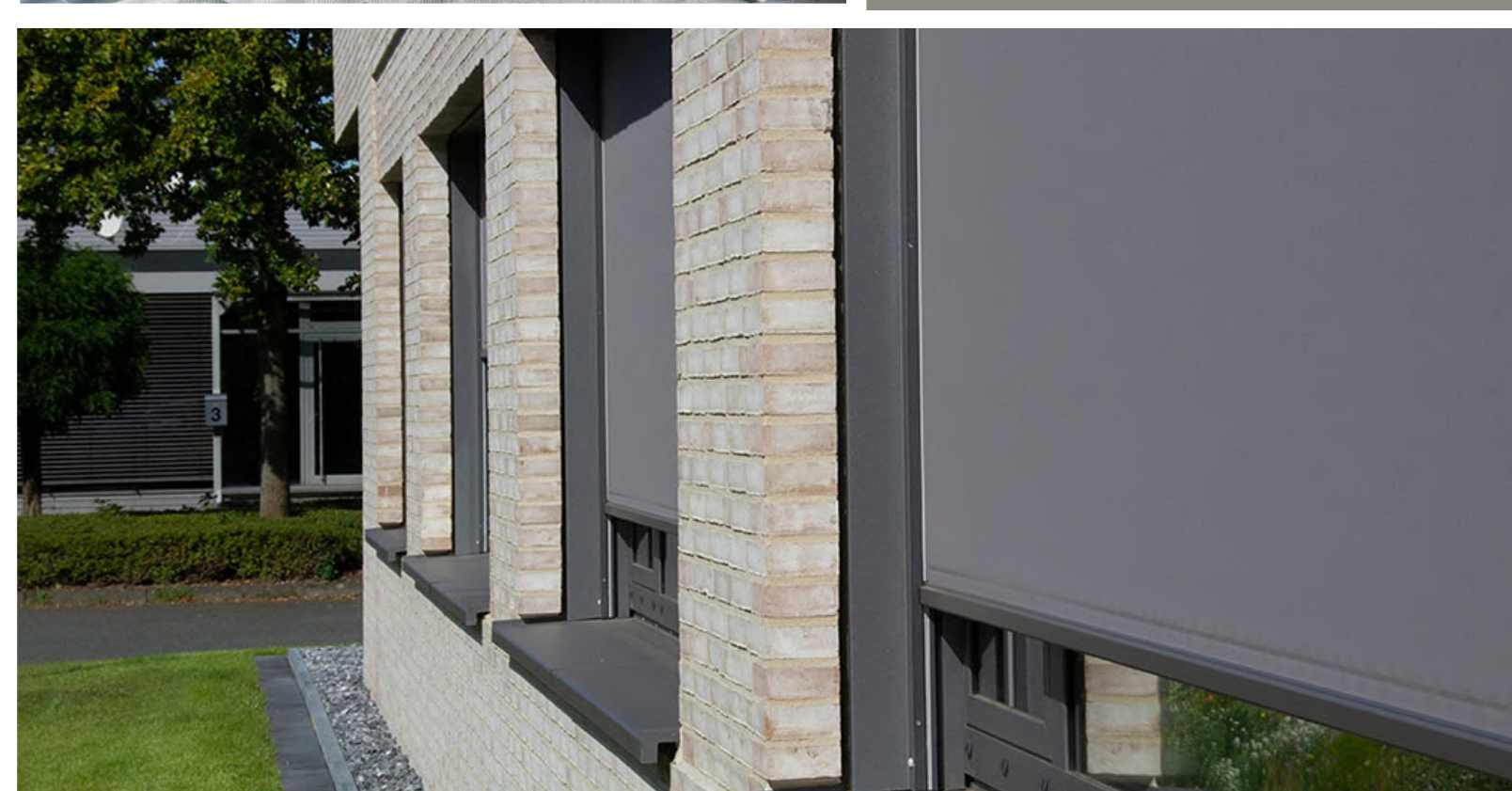




StellaGroup

A EUROPEAN INDUSTRIAL GROUP

SUSTAINABILITY REPORT 2022



EDITO



“StellaGroup’s first ESG report was published in 2020 with the goal of becoming an ESG reference in our industry, by being a company that is as efficient as possible and, above all, a company where people are happy to work.”

*In my 14 years as CEO, I have always considered that **social responsibility** was part of StellaGroup’s DNA. Over time, we have developed a culture of trust and performance supported by a management team providing clear direction. Today, this direction is to become a sustainable company and this gives meaning to the work we do.*

***Reducing our environmental footprint**, in particular GHG emissions from aluminium use, is a key priority of our ESG strategy. We have implemented key indicators to monitor continuous improvements in energy efficiency, waste reduction and recycling. We also conducted a carbon footprint analysis, which will be further serceted to upstream scope 3 emissions in 2023.*

*Because our products are used in the building industry, which is responsible for 40% of energy consumption and 36% of greenhouse gas emissions in the EU, we have a responsibility to develop manufacturing processes ensuring sustainable, quality products that, in turn, contribute to **better buildings**.*

*Another key focus in 2023 will be to **reorganise our governance** to support an ambitious strategic plan, organic and external growth and to maintain a high level of industrial integration. We will focus on 3 key product groups: Window Closures, Outdoor & Sun Protection, and Access solutions to build on industrial expertise, leverage synergies and promote cross selling.*

This is what we intend to do, targets have been set and there will be no compromise.”

Didier Simon
CEO - StellaGroup

SUMMARY

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- 6 **Core activities:** *key players in all our businesses*

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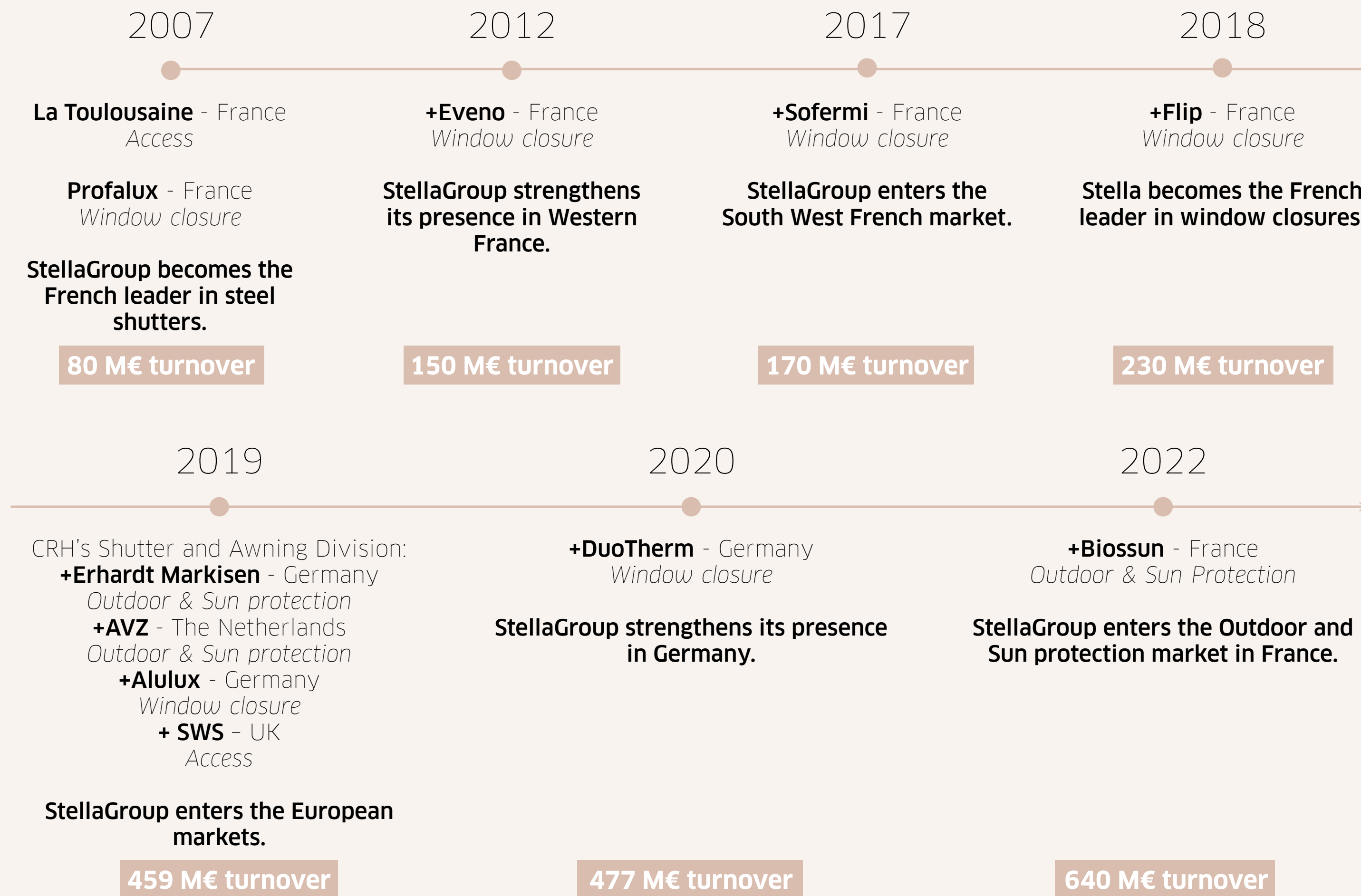
CONCLUSIONS AND PERSPECTIVES

ESG KPIS

METHODOLOGY NOTE

THE STELLA STORY: becoming a European leader in building closure

In 2007, La Toulousaine, the French leader in steel shutters, and Profalux, a leader in window roller shutters, joined forces to form StellaGroup. Then, by integrating other French and European industry players, StellaGroup is leveraging local presence, expertise and complementary competencies to become a leader in window closure, access and outdoor.



*In June 2023, Pratic, the largest manufacturer of pergolas in Italy joins StellaGroup.

CUSTOMER TAILORED BUSINESS MODEL

RESSOURCES

Human:
2,163 employees

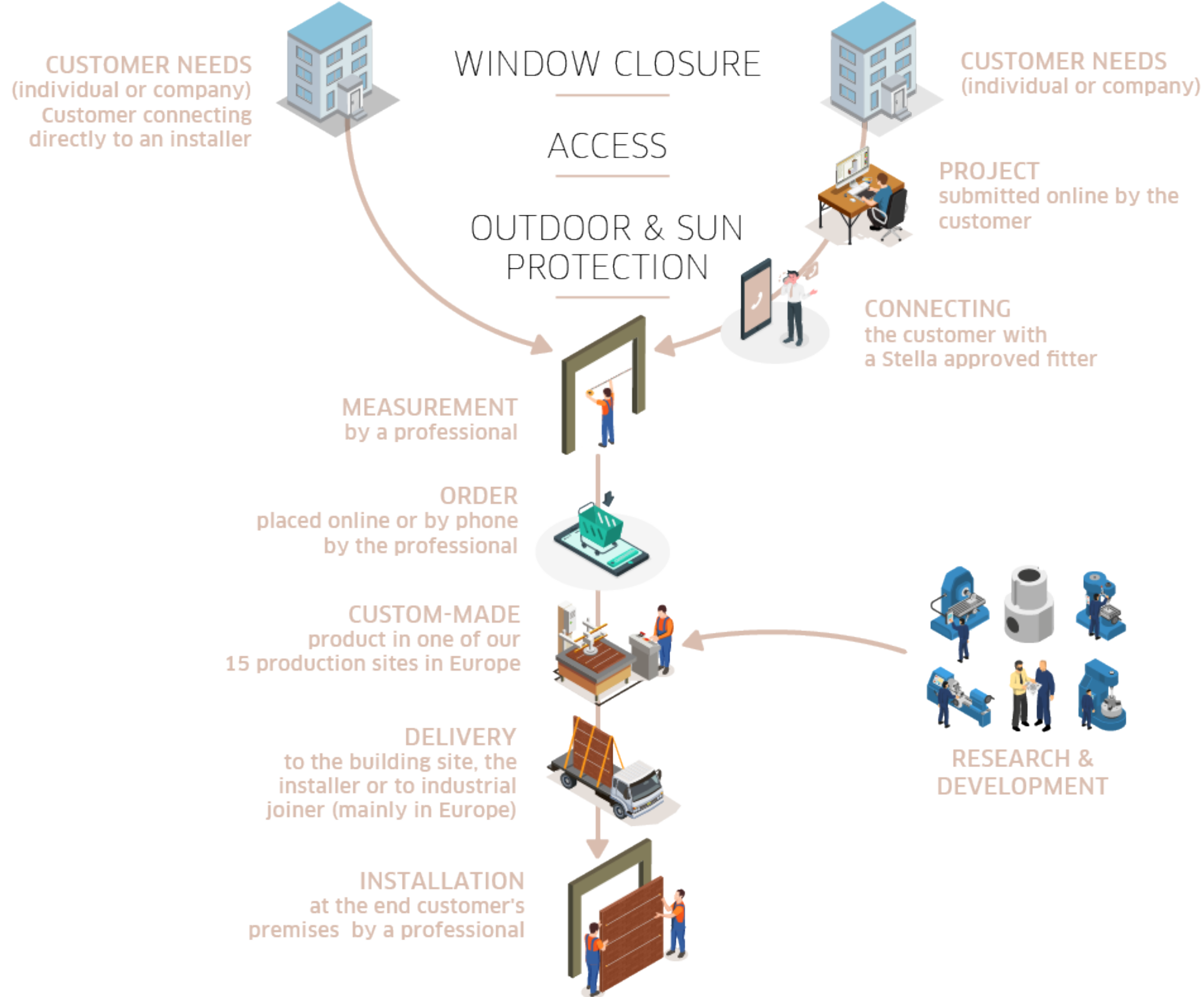
Industrial:
11 autonomous companies
15 plants

Technical:
Motorisation proficiency
High industrial level
Efficient R&D

Financial:
1,2 B€ of assets

Natural:
10,995 MWh of electricity of which
5% from renewable sources
16,810 MWh of gas
19,834 m3 of water
1,3 ML of diesel and gasoline

OPERATING ACTIVITIES



VALUE CREATION

For our employees:
94% permanent contracts
120 net jobs created since 2020
56% French employees as shareholders

For our clients:
24,000 customers
Shortest turnaround time for quotations

For our suppliers:
94% European suppliers

For the economy:
640 M€ turnover

For nature and the community:
-27% of waste sent to landfill
75% recycled waste
324 MWh of produced renewable electricity

CORE ACTIVITIES: key players in all our businesses



Windows with small front mounted roller shutters - Profalux



Textilscreens - Alulux



Living room bay window with sun protection - Flip



Garage Door Anthracite - SWS UK



Security steel shutters - La Toulousaine



Pergolas - Biossun



Awning - AVZ



Awnings - Erhardt Makisen

BU
Window closure

Window closure solutions help regulate incoming sunlight, improve thermal insulation and provide better security against intrusion.

BU
Access

Access solutions ensure building security and prevent intrusion.

BU
Outdoor & Sun protection













Outdoor & Sun Protection solutions create outdoor spaces that can be enjoyed all year round in a cool atmosphere, protected from the sun and weather.

CORE ACTIVITIES:

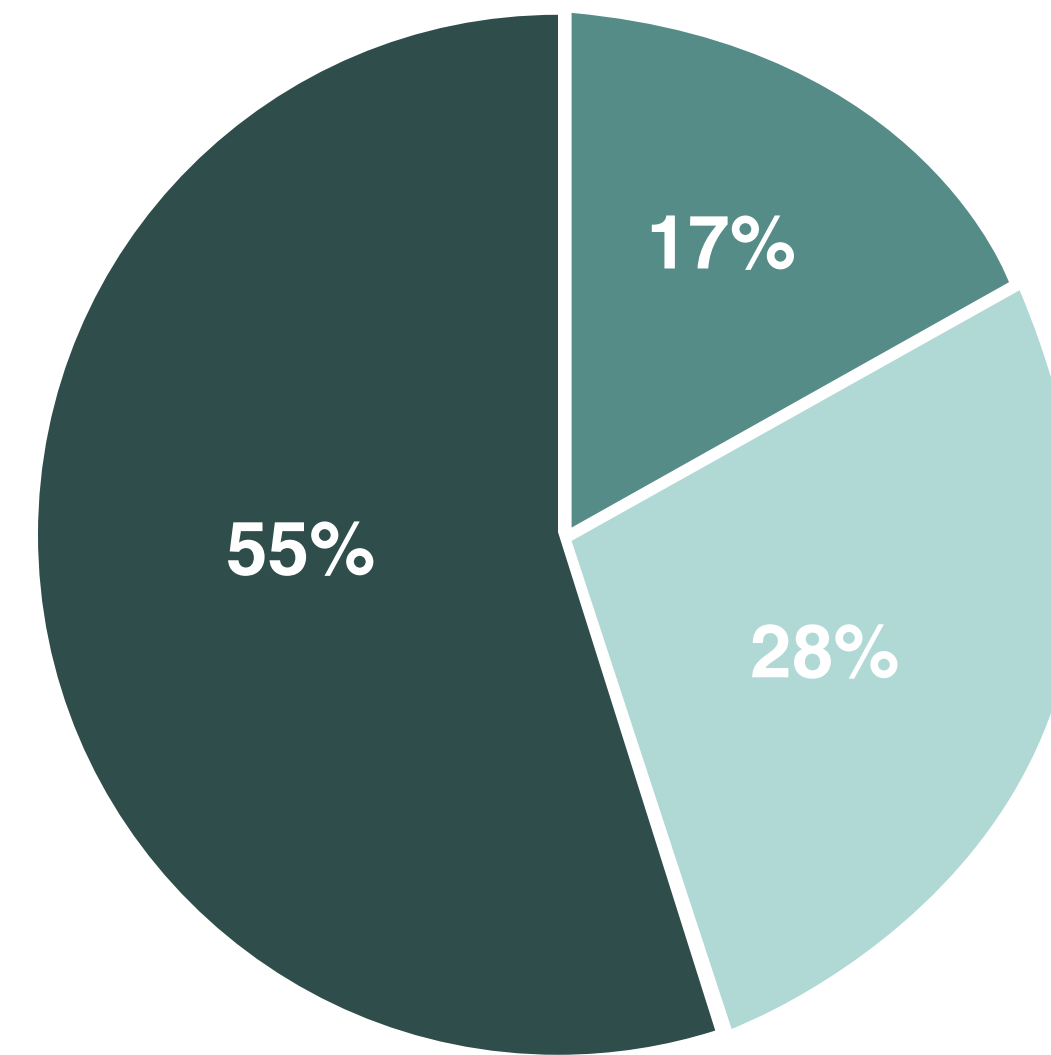
key players in all our businesses

StellaGroup specialises in building closure solutions and focuses on 3 main product types. These products are produced on demand and made to measure.

Speed deliveries, quality of the products and close customer services are the DNA and the key success StellaGroup. We have developed a network of production sites across Europe enabling us to offer some of the shortest production times in the market. We are recognized in our industry for our fast turnaround with for example an automated quotation system which produces a quote in seconds.

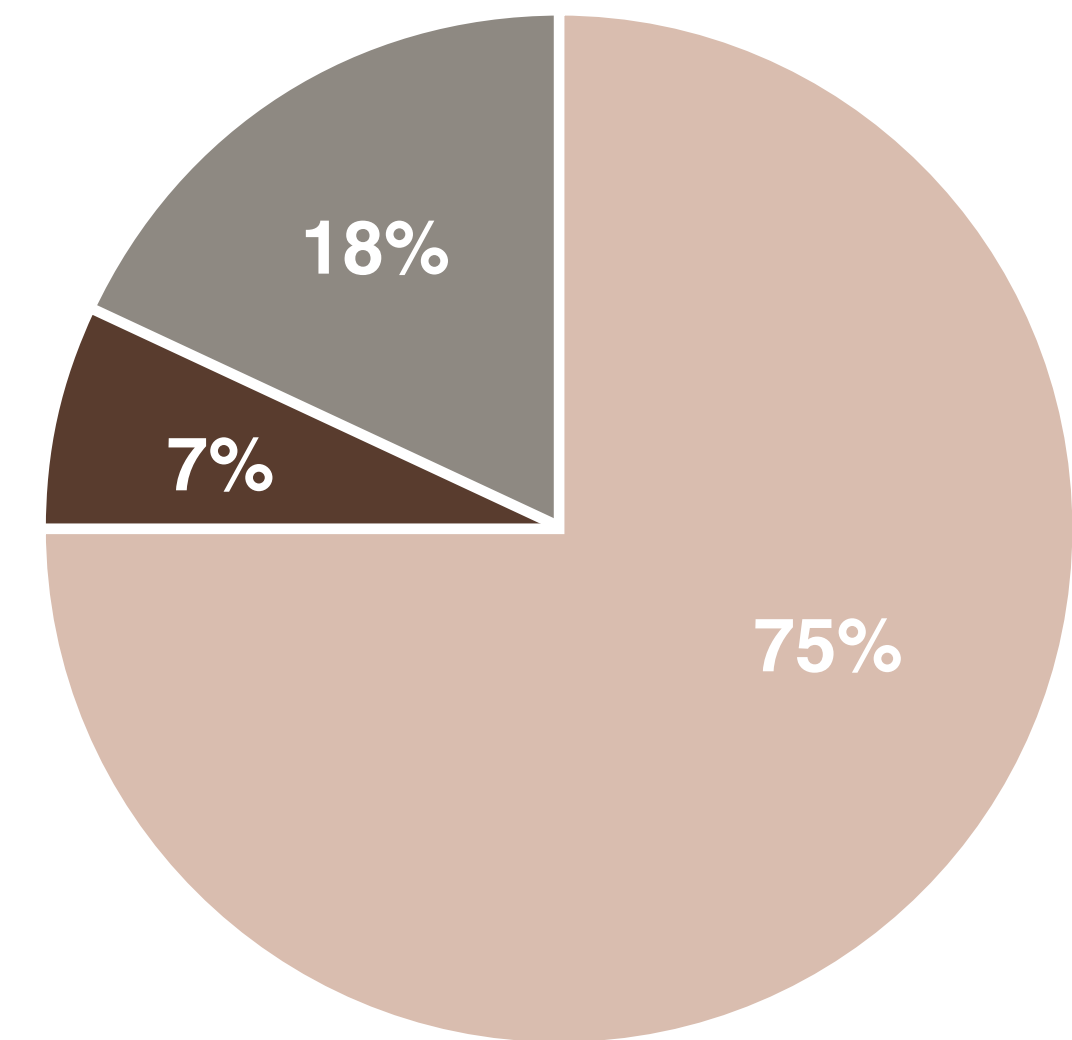
BU Window closure	BU Access	BU Outdoor & Sun protection
     	 	    <p data-bbox="1126 1722 1592 1748">*Pratic joins StellaGroup in June 2023.</p>

PRODUCT MIX



- Window closure
- Access
- Outdoor & Sun protection

SECTOR MIX



- New Buildings
- Renovation
- Trade and Industrial

More than half of our turnover is generated by the window closure BU, which comprises 6 of our 11 subsidiaries and is the largest of our markets.

More than 75% of our business is related to building renovation, as products such as gates, pergolas, terrace roofs and roller shutters are usually installed after construction.

Our product for new building market are top mounted roller shutters and roller shutters with casing.

ESG POLICY:

focusing our efforts on material topics

StellaGroup has long been committed to responsible and sustainable practices, even before the adoption of an ESG policy. This commitment includes:

- **Optimising production processes** to reduce energy consumption
- **Reducing waste production** and **increasing recycling efforts**
- **Prioritising local suppliers**
- Fostering employees' well-being through a **stable social environment**

In 2020, StellaGroup recognised the need to formalise and enhance these actions through an **ESG policy**. This decision was driven by stricter EU regulations, increasing customer and market demands, strong external growth, and a growing awareness of our responsibilities amidst resource scarcity.

However, **the most urgent ESG priorities** for the next years **revolve around the carbon footprint of the steel and aluminium** used in our products.

The ESG priorities outlined in the following pages serve as guidelines for promoting consistent practices within StellaGroup. The aim is to foster a **shared corporate culture** and **common ESG objectives** that emphasise responsible use of raw materials and a socially conscious approach.



 Click on the dots to go directly to the relevant page.

ESG REPORTING:

assessing the situation for effective action

As StellaGroup embarks on its ESG journey, the process of formalising a comprehensive policy for all Group companies begins with in-depth assessments to gauge our current position. Key steps include:

- Gathering a **wide range of non-financial information** crucial for ESG reporting
- Conducting an **initial assessment of our carbon footprint**

In this **third edition of the StellaGroup ESG report**, notable trends are emerging, **highlighting our progress and future focus**:

- Special attention directed towards **the environmental impact of aluminium and steel**
- **Continued advancements** in energy efficiency
- **Ongoing achievements** in **waste reduction** and **recycling**
- **Strengthened emphasis** on **reducing workplace accidents**
- **Implementation of profit-sharing initiatives with employees**, including incentive schemes and company mutual funds
- Introduction of new initiatives such as **green mobility** and **social inclusion projects**

“A thorough understanding of ourselves is essential to developing a coherent ESG policy. This involves several key steps:

- *Collecting data*
- *Verifying and confirming data reliability*
- *Analysing the data and identifying the issues*

This is where the finance department plays an essential role, which is progressively evolving to include financial and non-financial performance management. We’ve been working on the data for three years now, and while the overall picture is still somewhat blurred, we are nonetheless in a position to outline the strategic directions for the future.”

Gilles Venet
CFO - StellaGroup





ENVIRONMENTAL: The main challenge



The environmental objectives we have set ourselves reflect a step change in our approach. Our strategic plan sets ambitious targets for adapting our **sourcing and product design processes** to incorporate new environmental constraints. This represents a great opportunity to go beyond regulations to ensure our business sustainability and strengthen our competitive position.

00

Carbon assessment

01

Reduce scope 3 emissions
through procurement

02

Limit energy
use

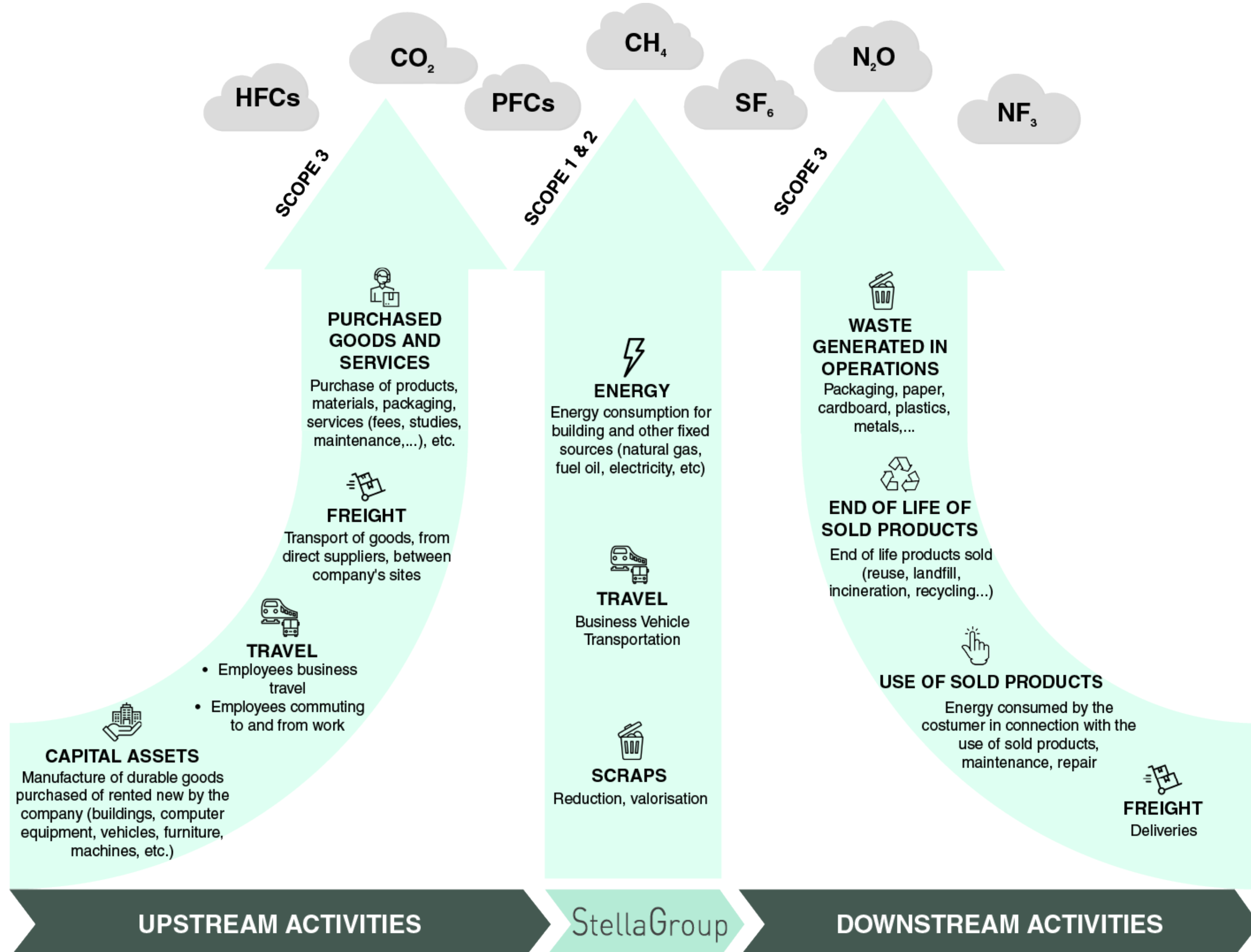
03

Manage waste

04

Develop eco-design

00 CARBON ASSESSMENT: charting the path



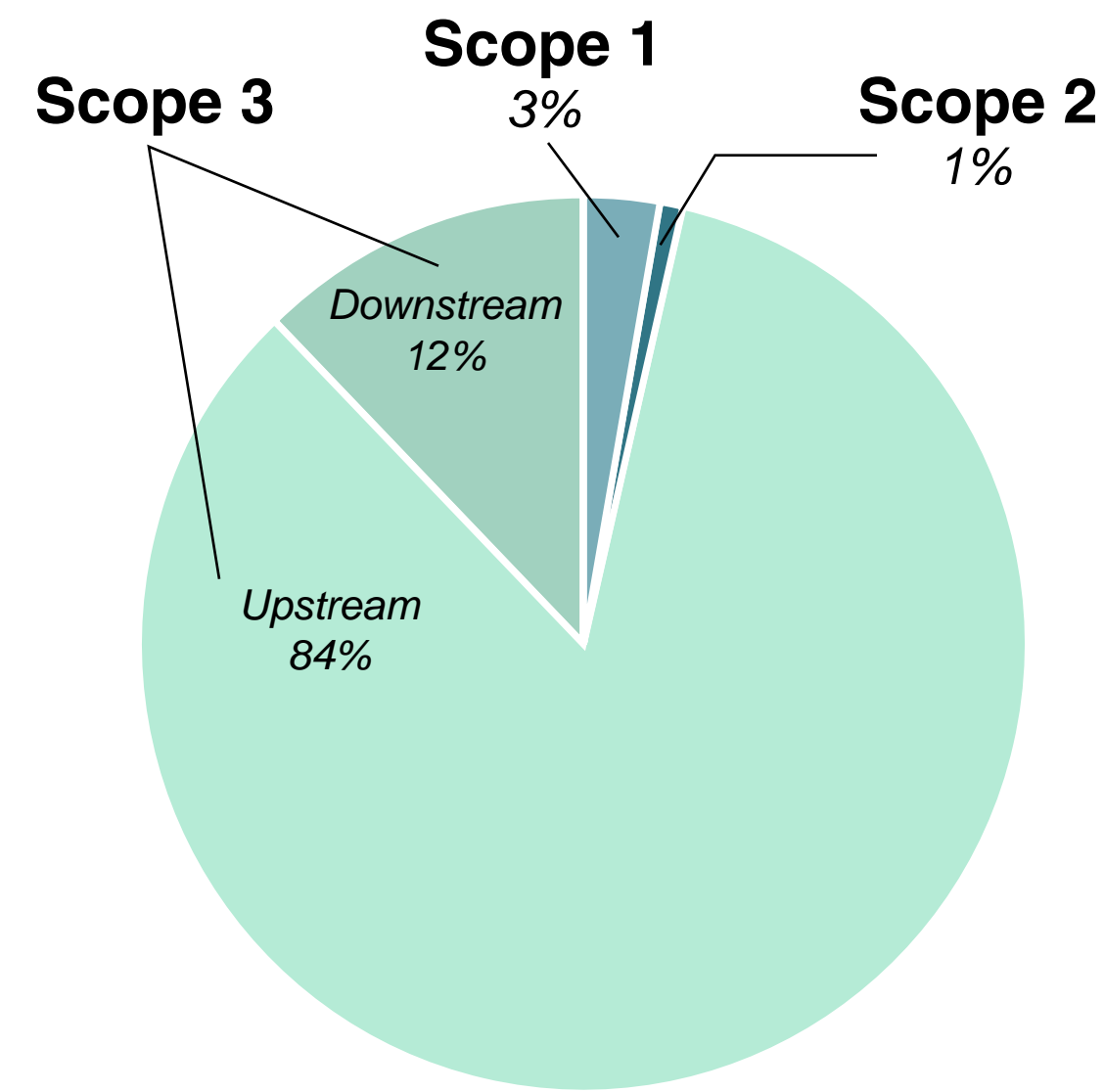
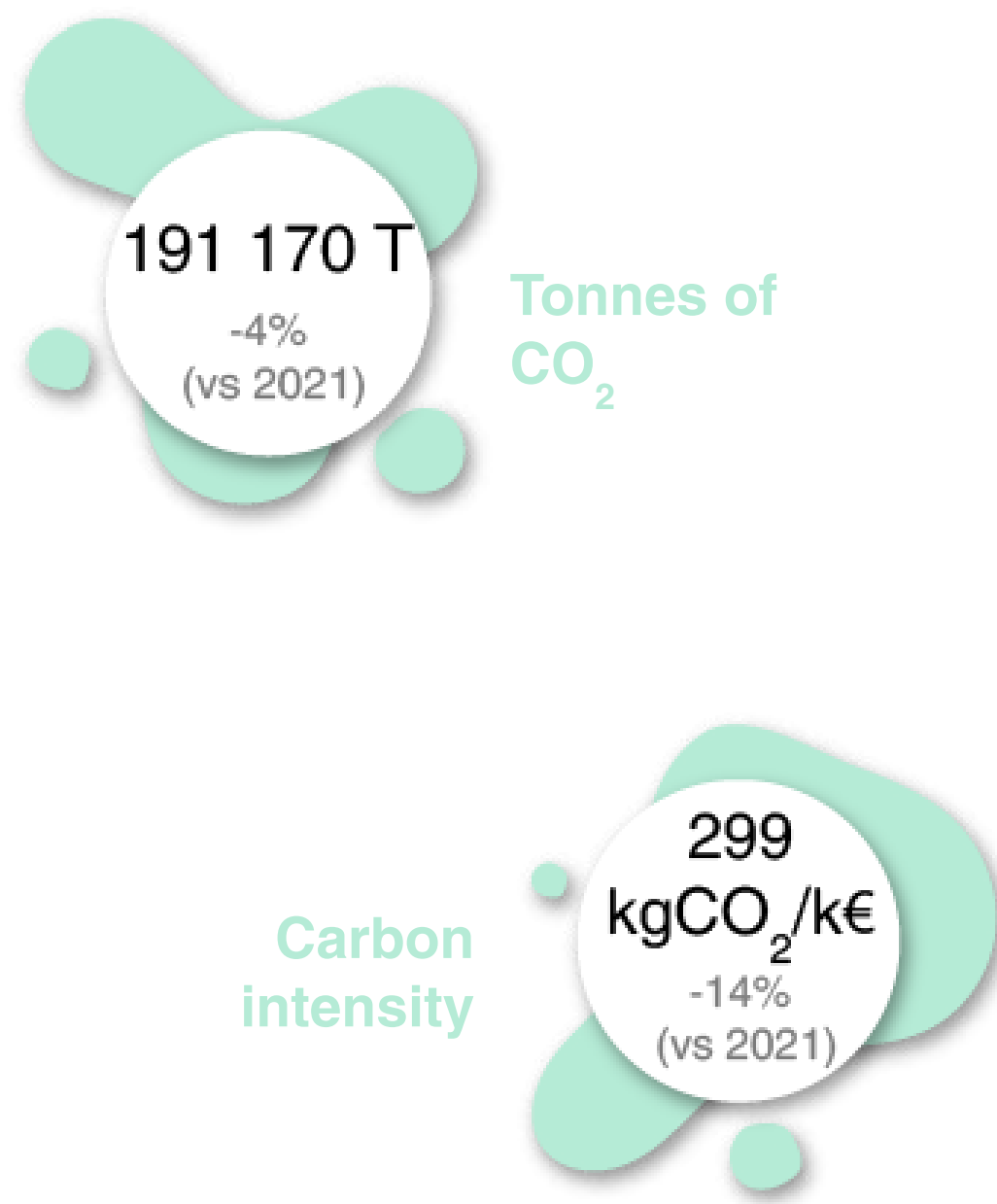
STELLAGROUP'S CARBON FLOWS TAKEN INTO ACCOUNT IN THE CARBON ASSESSMENT

StellaGroup acknowledges the direct impact of climate change and resource scarcity on our operations. To adapt and mitigate these challenges, we are proactively anticipating potential consequences, such as supply risks for raw materials and rising energy costs. Participating in collective efforts to reduce GHG emissions presents an opportunity for energy and industrial efficiency, ensuring long-term organisational viability. Our carbon assessment, using the GHG Protocol method, has enabled us to develop tailored action plans for each entity, aligning with their specific circumstances.

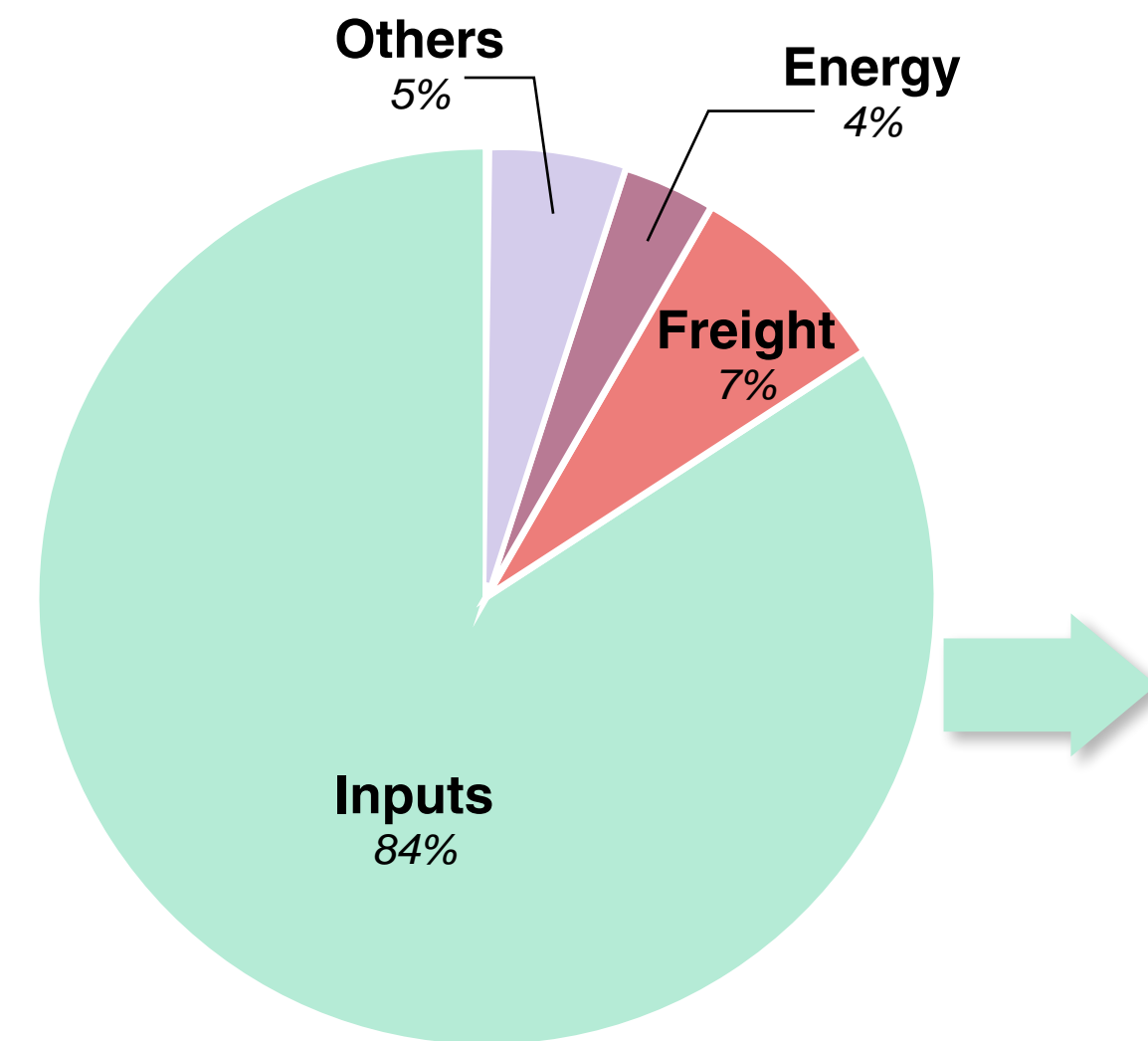
00 CARBON ASSESSMENT: focus on upstream scope 3



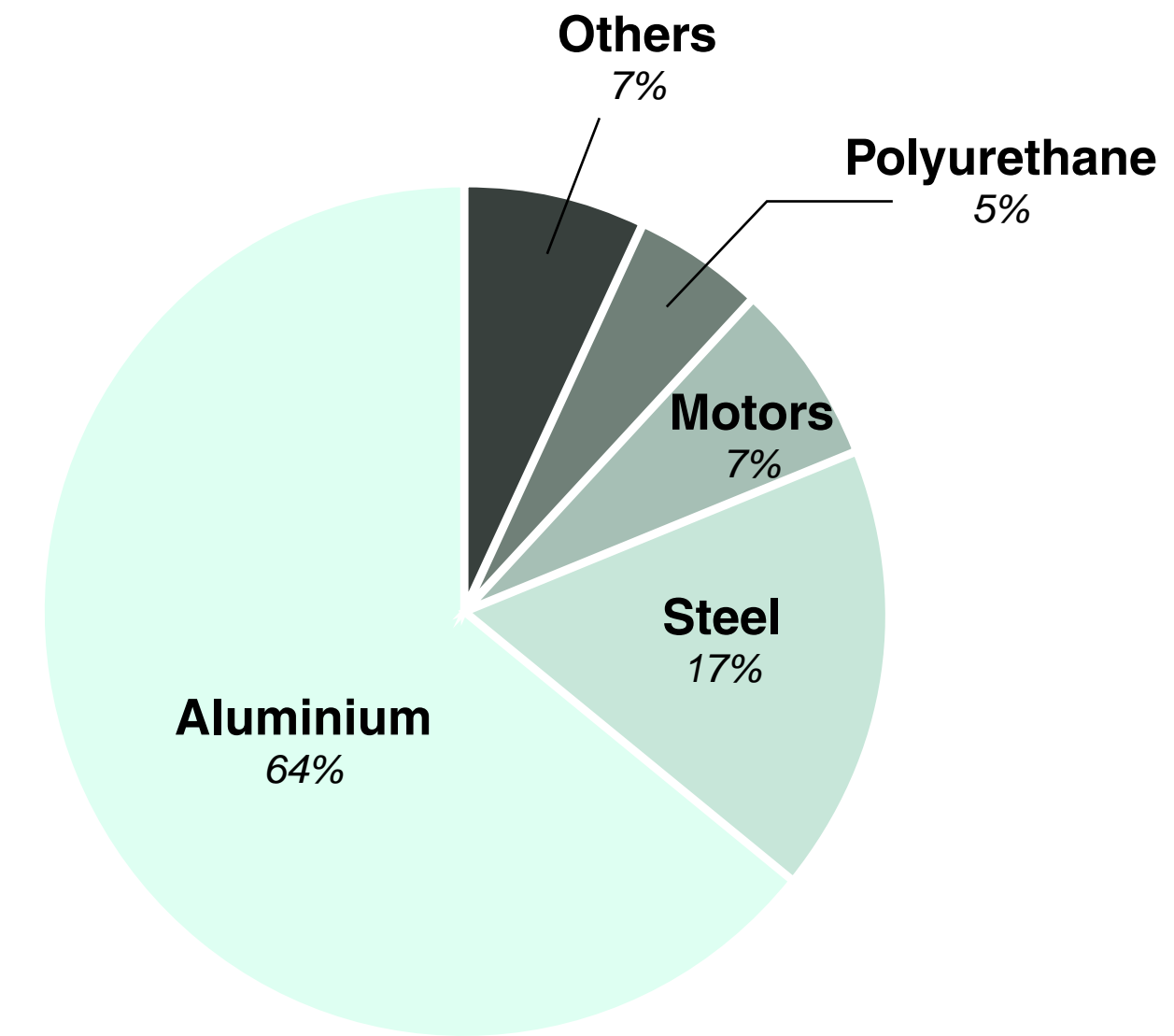
At Group level, total CO₂ emissions stand at 200,000 tCO₂e, with scope 3 emissions being the primary contributor with 96% of the total emissions. This implies that most emissions are indirectly generated through activities such as raw material procurement, transport, and product lifecycle.



TOTAL EMISSION BY SCOPE



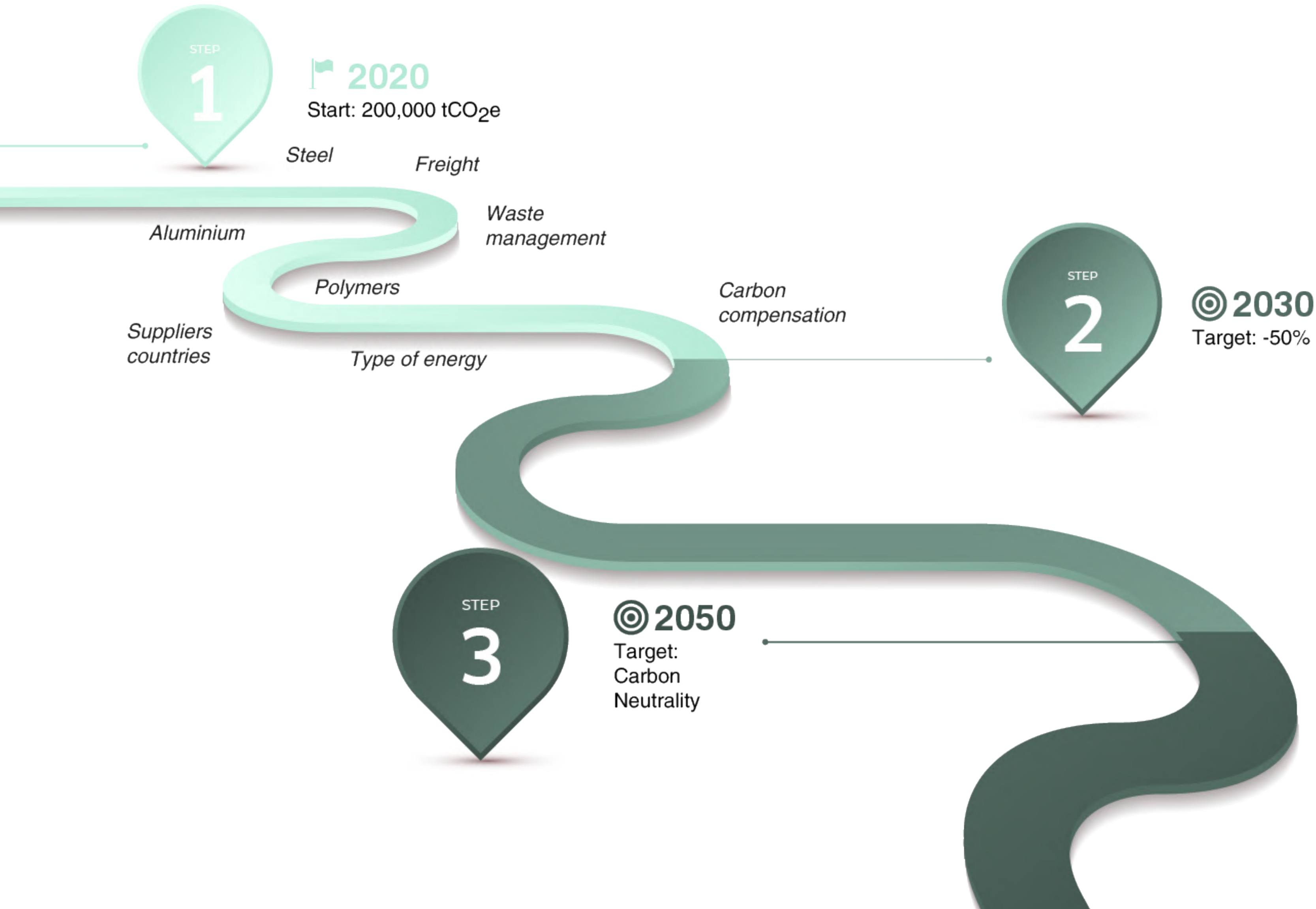
TOTAL EMISSION BY ITEM



TOTAL UPSTREAM SCOPE 3 BY INPUT

The carbon intensity was reduced by -14% between 2021 and 2022 with a volume effect of -4% and a price effect of -10%. Reducing carbon emissions is a dynamic process that still needs to be improved. To this end, following the completion of our upstream scope 3 emissions analysis in 2023, we will need to survey our suppliers and scrutinise their carbon footprint. Once we have a clear picture of the situation, we will take proactive steps to significantly reduce our emissions, focusing on aluminium and steel.

00 CARBON ASSESSMENT: our guiding targets



ROADMAP

Implement a group-wide sustainable procurement policy aimed at reducing the carbon footprint of our steel and aluminium purchases (scope 3).

Implement local action plans to achieve the group's objectives for:

- Reducing and recycling waste
- Reducing energy consumption
- Replacing fossil fuels with renewable energy
- Developing eco-design by internal engineering departments

REDUCE SCOPE 3 EMISSIONS THROUGH PROCUREMENT



STRATEGY

64% of the StellaGroup's carbon footprint stems from aluminium and steel purchases. These metals have high carbon intensity due to energy-intensive extraction and processing often conducted on different continents. Reducing scope 3 emissions is therefore crucial for achieving our ESG objectives.

Focus on aluminium:

- 51% of the group's GHG
- 33% of the group's purchases

Focus on steel:

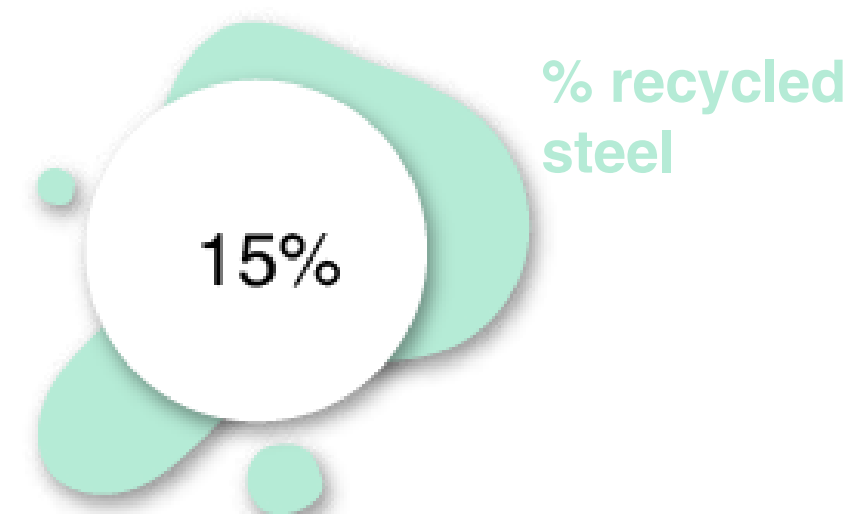
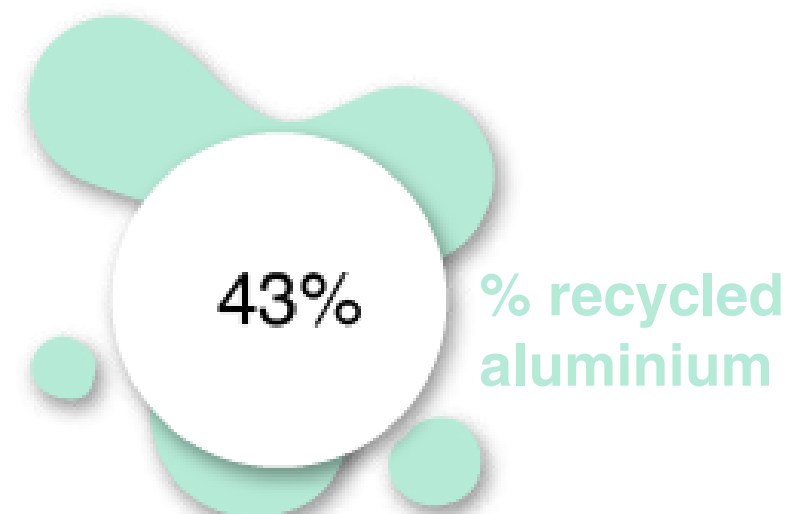
- 14% of the group's GHG
- 3% of group purchases

Roadmap :

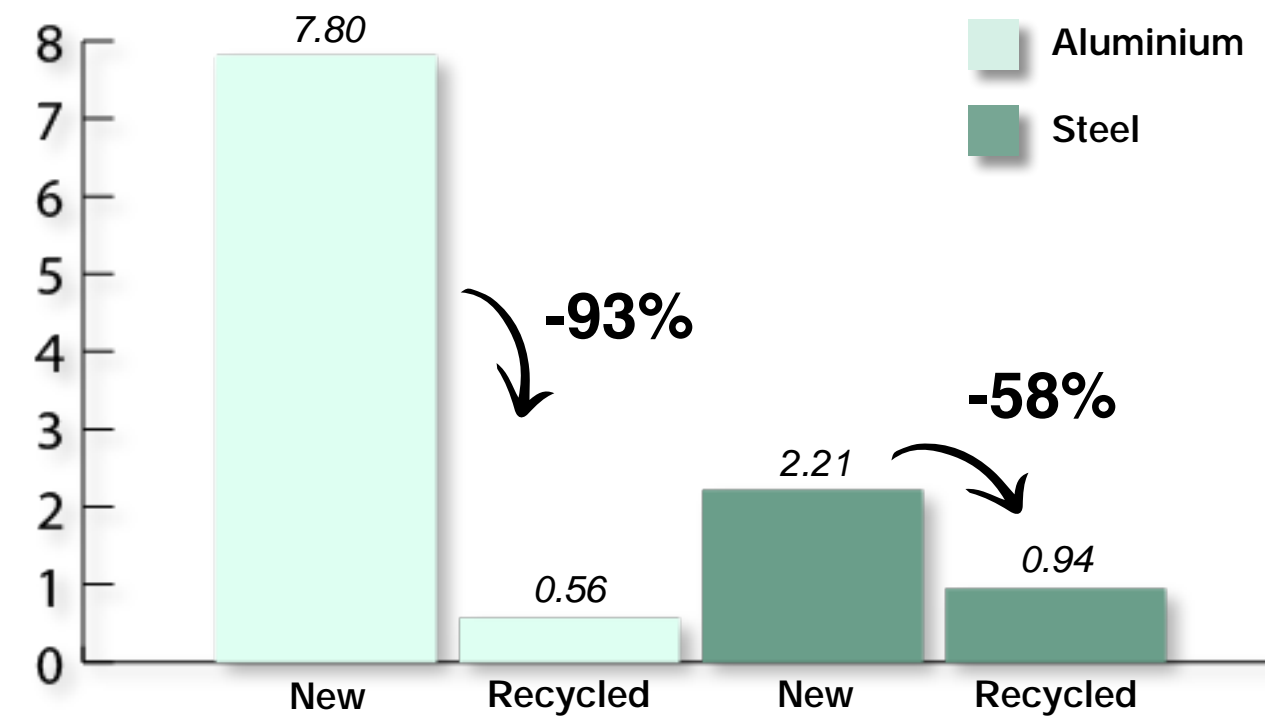
Prioritise recycled aluminium over primary aluminium, as already implemented for roller shutter blade coils.

Explore the usage of aluminium produced from sustainable energy sources, predominantly hydroelectricity, along with solar and wind power.

KPI



EMISSION FACTORS tCO₂e/ton



The use of recycled metals entails expenses and technical limitations, such as resistance, corrosion, and lacquer durability. The evolution of our performance will heavily rely on developing collaborations with industry players capable of meeting our requirements. The demand for recycled metals will grow rapidly. We will have to secure our procurement and participate in the collection of products at the end of their life.

OBJECTIVES AND AMBITIONS

Ongoing investigation to assess detailed carbon footprint and set quantified targets for:

- Increased share of recycled aluminium and steel
- Enhanced manufacturing efficiency
- Alternative products with lower carbon intensity

02 LIMIT ENERGY USE



STRATEGY

Scope 1 and 2 account for 4% of the StellaGroup's total emissions. Electricity intensity is relatively low due to the nature of our activities, the specificities of our markets and the various initiatives already undertaken at Group level (LED system, state-of-the-art equipment, etc.).

Reducing scope 1 and 2 emissions implies:

- Reduce scrap (especially in Northern Europe entities)
- Implement energy saving measures
- Conduct a green energy analysis : solar panels, geothermy, etc.

Contributing to energy efficient buildings

Our products contribute to some extent to energy-efficient buildings by improving insulation, reducing the need for heating in winter and air conditioning in summer*. A thermal shield forms between the glass and our roller shutters and helps maintain a constant temperature air mattress.

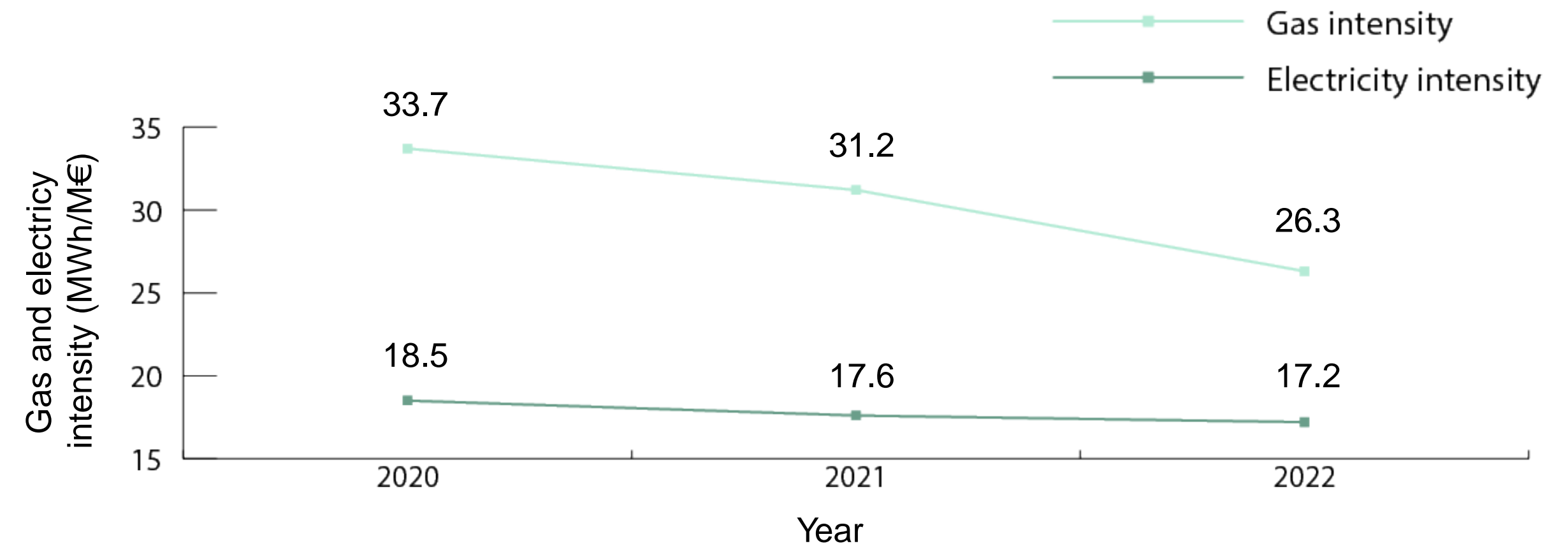
*Study commissioned by Actibaie (a professional group that brings together all the trades of doors, gates, shutters and blinds) through a TBC study on the thermal performance of roller shutters.

OBJECTIVES AND AMBITIONS

2023: All StellaGroup companies define their roadmap to carbon neutrality for scopes 1 & 2

2035: StellaGroup is carbon neutral for scopes 1 & 2

KPI: EVOLUTION OF GAS AND ELECTRICITY INTENSITY



In 2022, we have maintained stable electricity intensity and reduced gas consumption through subsidiary-level initiatives. Moreover these efforts were amplified by inflation. On the contrary, the Group invested in additional roll forming machines to support its growth. This will lead to an increase in electricity consumption while limiting raw material purchases impact (scrap and fret).

EXAMPLES OF PRACTICES

LA TOULOUSAINE (Access):

- Automatic doors installed on the ovens to reduce heating losses
- Production time optimised to avoid restarting the oven
- Thermal insulation and solar panels to be installed on the building

ALULUX (Window Closure):

- Installation of a new heating system to reduce CO₂ emissions by 200t

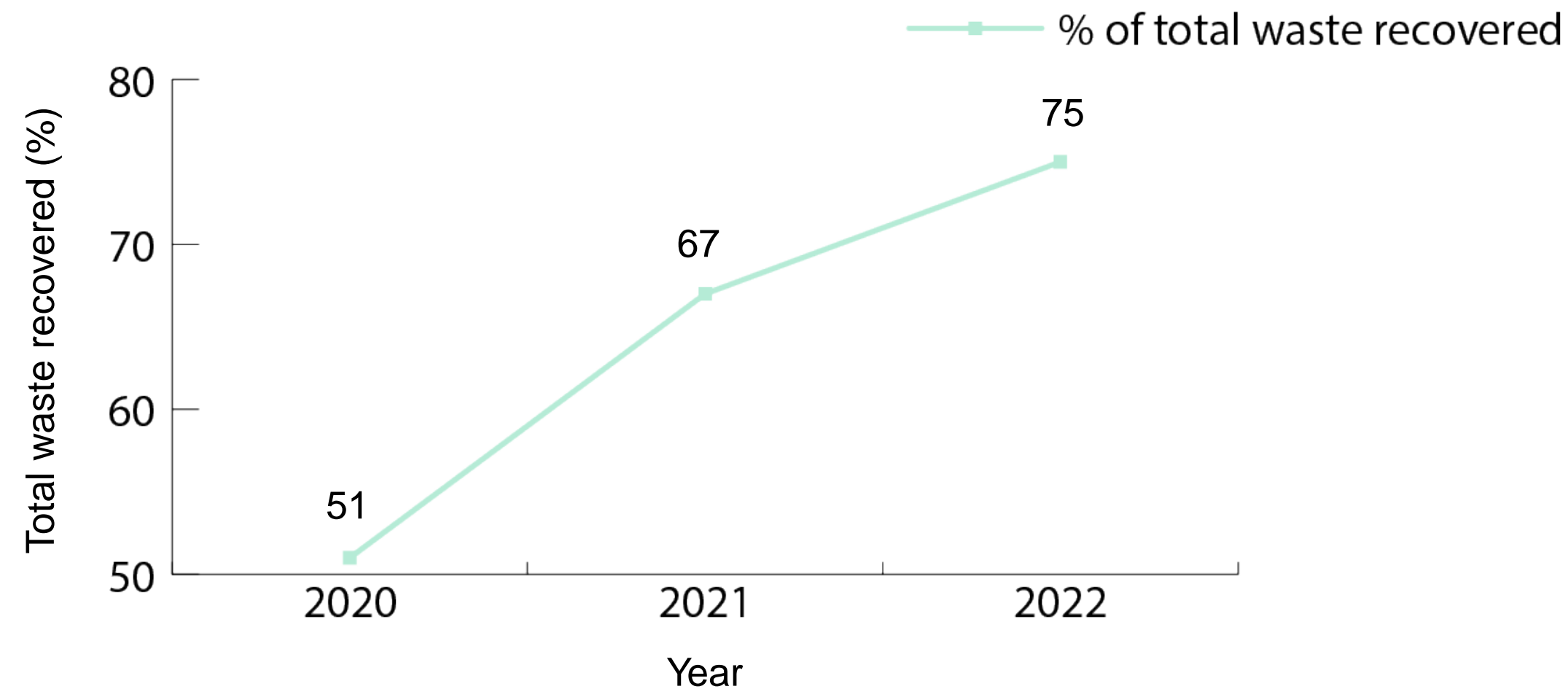
03 MANAGE WASTE: reduce scrap and improve recycling



STRATEGY

StellaGroup encourages local initiatives and collaborations with waste management expert companies for waste sorting, collection and recycling activities. In particular, sorting the different types of materials (aluminium, steel, wood, plastic packaging, electronic components,...) to facilitate recycling and compacting cardboard to limit emissions from transport.

KPI: EVOLUTION % OF TOTAL WASTE RECOVERED



Between 2021 & 2022, the waste produced (in t) slightly decreased (-0,5%) despite the integration of Biossun entity. Moreover, the proportion of recovered waste increased. This is the result of a constant focus on waste management, packaging optimisation and recycling waste.

OBJECTIVES AND AMBITIONS

Continuation of waste sorting, collection and recycling activities, including sorting of different types of aluminium to facilitate recycling, compacting cardboard to limit emissions from transport and sorting of electronic components.

EXAMPLES OF PRACTICES

PROFALUX (*Window Closure*):

- Reduction of production waste of slats, frames, boxes and on coating (3% vs. 8% market average)
- Customer waste management and end-of-life waste management
- 99% of shipping packaging for roller shutters and garage doors is recyclable

EVENO (*Window Closure*):

- Collaboration in a research project of the Université de Bretagne Sud for the recovery of coffee cups and cigarette butts by integrating them into some of our plastic parts.
- Mego! collects and recycles cigarette butts into plastic

BIOSSUN (*Outdoor and Sun Protection*):

- Reduction in plastic packaging by using thermoformed wedges
- Replacement of beams' plastic packaging with kraft paper
- Scrap blades returned to supplier for reuse or recycling

04 DEVELOP ECO-DESIGN



STRATEGY

Product design plays a vital role in incorporating low-CO2 emitting materials like recycled aluminium and steel. It also impacts downstream emissions, including lifetime emissions and our products' contribution.

To support our strategic focus on scope 3 emissions, our eco-design efforts will primarily concentrate on incorporating recycled aluminium and steel in our products.

"At first, environmental regulations were seen as a constraint, but now they are an opportunity. We are now seeking to better understand our supply chain by thinking in terms of the global value chain to grasp and anticipate problems with rare and non-renewable materials and ensure a sustainable transition to substitutes and new ways of producing."

Frédéric Lapellegerie
COO – StellaGroup



OBJECTIVES AND AMBITIONS

Train purchasing and design departments to prioritise ESG considerations in all projects.



Incorporate recycled materials to reduce emissions from polyurethane foam and plastics (8% of total carbon footprint).

Develop energy-efficient electric motors to minimise energy consumption.

Optimise raw material and packaging usage.

Share end-of-life management best practices with trade associations.

BEST PRACTICES

EVENO (*Window Closure*):

- 30% of the polyol used in the Gao and Perfecto tunnel boxes comes from bio-based raw materials
- 30% of the total volume of plastic used in all Eveno products comes from recycled materials, with all tunnel boxes containing Nylo[®], a polyamide made from 100% used fishing nets



SOCIAL

Social responsibility is deeply ingrained in StellaGroup's DNA, as we prioritise employee well-being, trust, and shared performance as strong values and catalysts for growth. We firmly believe that striving for a zero accident target is crucial not only for the safety of our employees but also for our overall industrial efficiency. Our safety initiatives encompass optimising workspaces, stress management, employee retention, staff training, and effective communication.



01

Ensure healthy and safe working conditions for our employees

02

Work towards job sustainability and training

03

Promote well-being within our teams

04

Encourage community engagement

01 ENSURE HEALTHY AND SAFE WORKING CONDITIONS FOR OUR EMPLOYEES



STRATEGY

Aiming for zero accidents means prioritising factory safety through clean premises, safety protocols, employee training, loyalty, and more. This approach ensures both employee well-being and improved industrial efficiency.

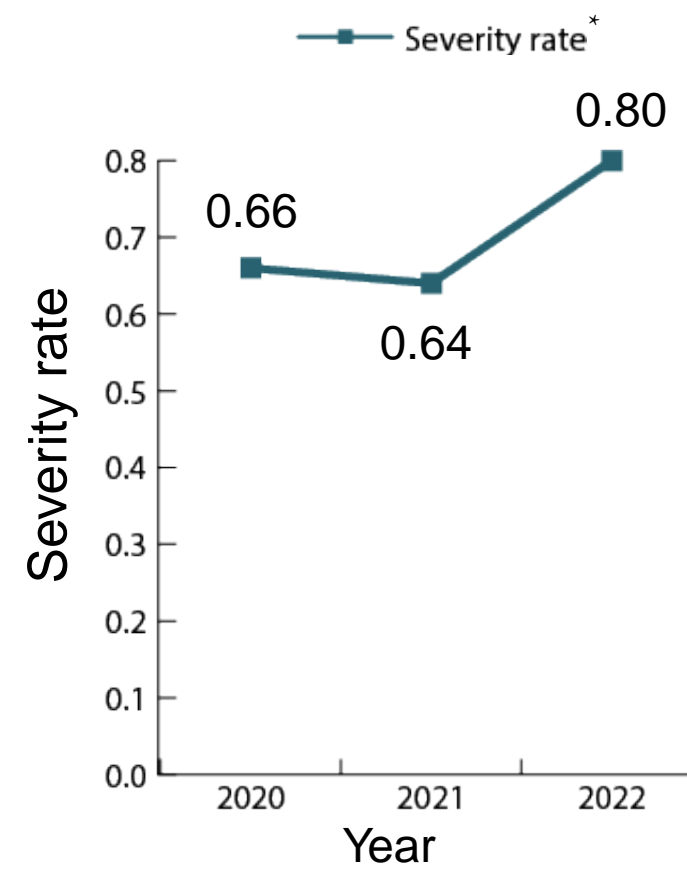
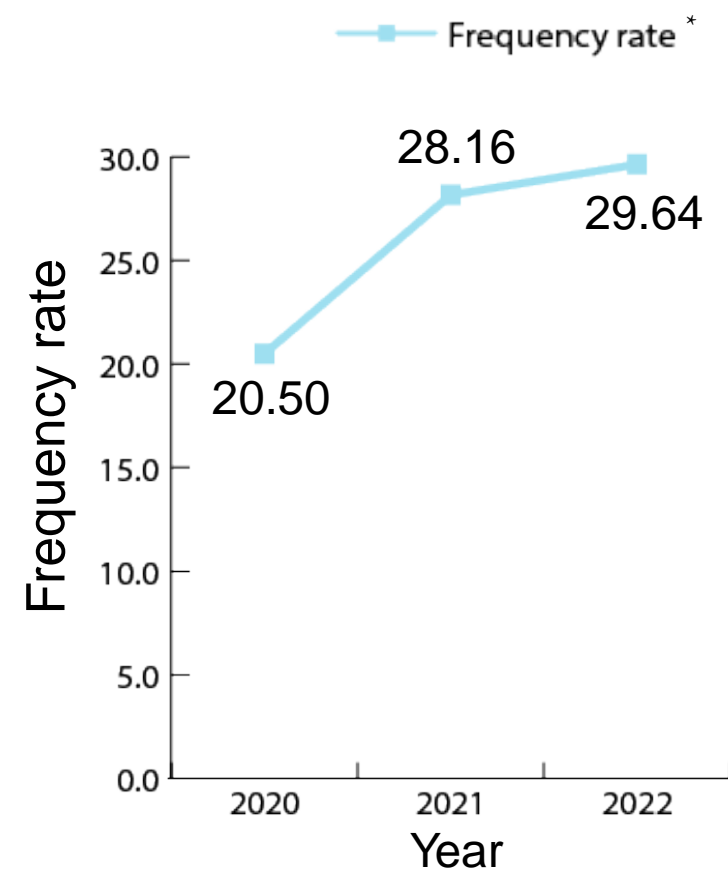
Our safety at work policy includes:

- Continuous accident reduction efforts
- Employee bonuses for meeting safety targets
- Training by the QHSE manager
- Regular communication on work-related accidents

OBJECTIVES AND AMBITIONS

- 2023:** Safety supervisors appointed in each service
- 2023:** 5 fire protection assistants promoted
- 2023:** First aid training generalised
- Every year:** Try to reach zero accident
- Every year:** Accident severity rate remains below 0.8

KPI: FREQUENCY & SEVERITY RATES



In 2022, we dealt with the consequences of two challenging years of the COVID pandemic. Increased absenteeism and the significant growth in activity in 2021, due to a surge in renovation projects, heightened the risk of accidents.

EXAMPLES OF PRACTICES

FLIP (*Window closure*):

- Ergonomics audit in all departments
- Working group on employee feedback survey for the improvement of working conditions with updates every 3 weeks.

PROFALUX (*Window closure*): Ergonomics

- Ergonomics of workstations in the workshop, in particular work on reducing lifting loads
- 100% of office chairs replaced and installation of adjustable standing desks for some work stations

*See annex p35 for definitions.

02 WORK TOWARDS JOB SUSTAINABILITY AND TRAINING



STRATEGY

While the Stella Academy and its first module in finance will support the dissemination of the Stella Way, each entity within the group will remain responsible for defining and implementing its own employee loyalty and training policies. We value the strong connections between the StellaGroup companies and their communities, as they foster employee retention, competency development, and compliance with local regulations.

Existing retention and development plans include:

Hiring employees on permanent contracts.

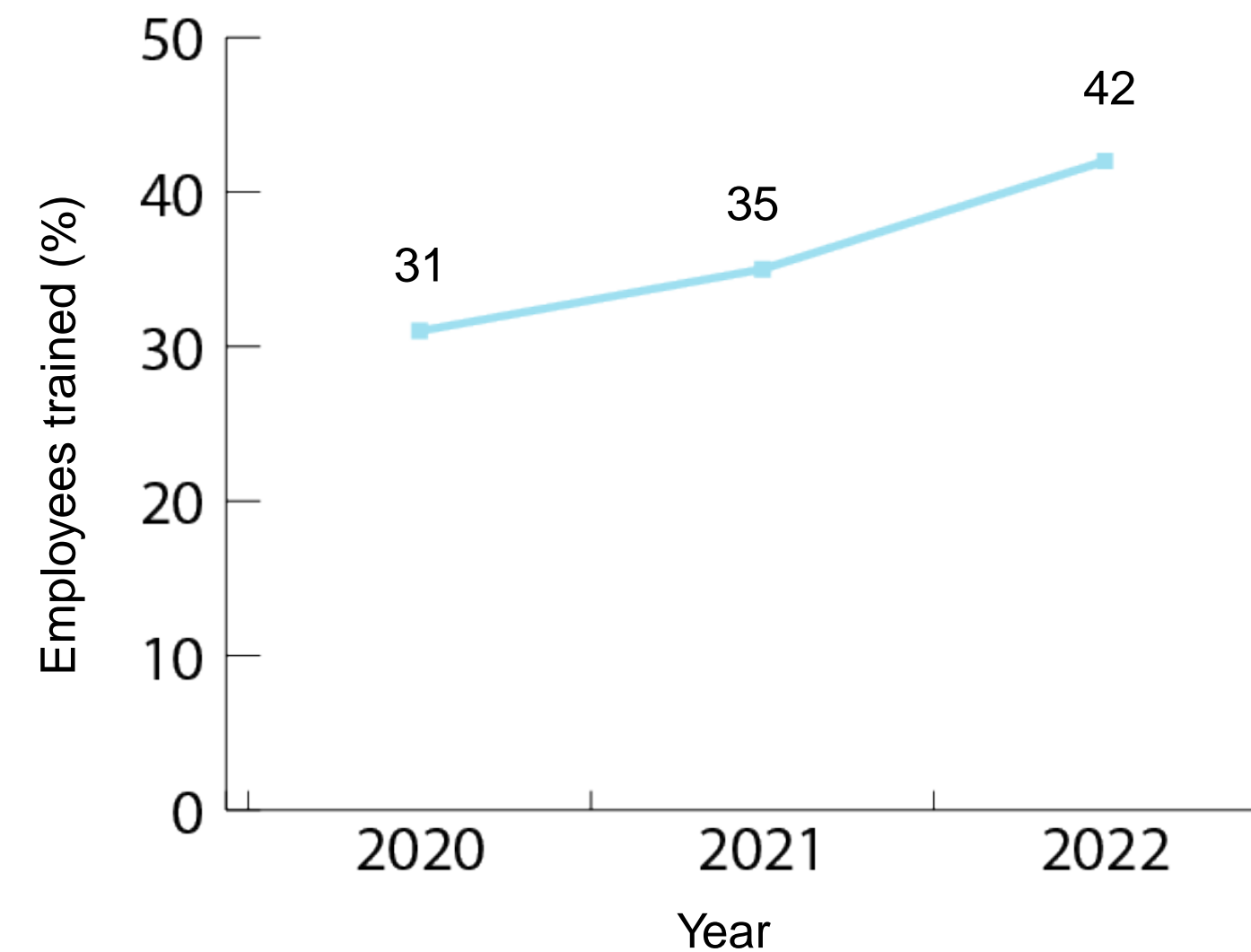
Limiting temporary and fixed-term contracts to seasonal and punctual needs.

Recruiting trainees and apprentices.

Organise a strict production planning to limit the need for temporary workers.

Enhanced profit-sharing schemes.

KPI: EMPLOYEES TRAINED



In 2022, 42% of total employees have been trained, mainly in France and Germany. This KPI tends to improve in accordance with our objective of reaching 50% of employees trained with the help of the UK (low level of training in this country).

OBJECTIVES AND AMBITIONS

50% of employees trained

End of 2023: First Stella Academy session



03 PROMOTE WELL-BEING WITHIN OUR TEAMS



STRATEGY

After the acquisition of the Northern Europe entities, an employee satisfaction survey was conducted. It achieved a 71% response rate and provided 2 key indicators:

1. Global Index: Average score measuring organisational criteria such as work-life balance, well-being, managerial behaviour, respect, compensation, and organisational effectiveness.*

2. Intrinsic Engagement Indicator: Average score measuring criteria related to employee engagement, such as motivation, pride in working for the company, sense of purpose, and confidence in the future of the company.*

**Study done only for Northern Europe entities, in 2021 during a COVID crisis.*

The results show a moderate Global Index (6,8) but people are quite implicated in their job and proud of working in their company (Intrinsic engagement indicator at 7,2). The Group is working for the improvement of these scores to reach the level known in France with effective social dialogues, respectful communication on the industrial policy for each company and incentives linked to the performance.

EXAMPLES OF PRACTICES

PROFALUX (Window closure):

- Social activities: carnival, events, walks, sports at lunchtime, etc.
- 4 daycare places
- Concierge service to free employees from time-consuming daily tasks.

KPI

Global Index

6.8/10
(2021)

Intrinsic Engagement

7.2/10
(2021)

Seniority

9.9 years

Turnover

14.95%
-2.2%
(vs 2021)

Absenteeism rate

7.15
+8%
(vs 2021)

The increase in absenteeism is primarily a consequence of the post-COVID period. Our staff turnover is decreasing towards a desirable level of 10%, reflecting employee satisfaction and enabling talent retention. Despite recent crises, we have successfully mobilised and retained our staff through effective communication, impactful gestures, and a shared vision for the company's future.

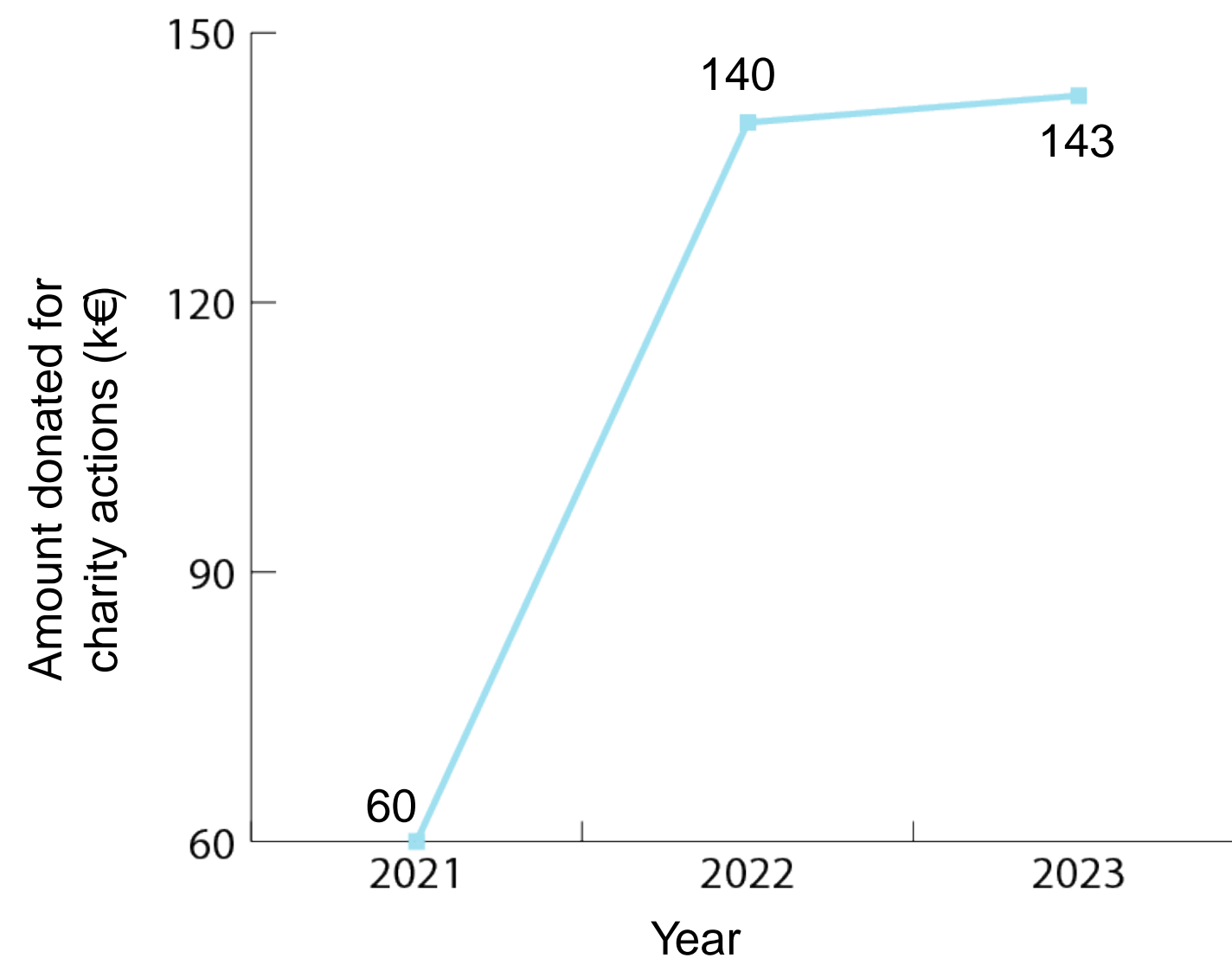
04 ENCOURAGE COMMUNITY ENGAGEMENT



STRATEGY

StellaGroup's governance allows significant managerial autonomy for its subsidiaries, particularly regarding community engagement. Each subsidiary has the freedom to select its partners (NGOs, schools, etc.) and align with the projects (solidarity, food, environment, innovation, etc.) it supports. This approach ensures a tailored and consistent contribution to the community.

KPI: CHARITY DONATION



Donations have increased in 2022 and are expected to do so in 2023. It is important to note that while subsidiaries will maintain their autonomy in determining the amount and selection of beneficiaries, a separate budget line will be introduced at the Group level for additional contributions. In the first quarter of 2023, the StellaGroup has already donated 70,000 euros to Café Joyeux, the Toulouse Cancer Foundation and others.

EXAMPLES OF PRACTICES

StellaGroup companies have a very strong local presence and engagement with their communities. Here are some examples of actions taken in 2022:

Community outreach:

- **Duoday:** Profalux employees spend one working day with a long time unemployed person
- **Libre emploi:** Eveno employees connect with young people in prison
- **École de la deuxième chance:** Flip partners with this public organisation providing paid professional training to people between 16 and 25 who have left school
- **Nos quartiers ont du talent:** La Toulousaine help to reinsert disadvantaged young people

Donations and sponsorships:

- **Kerpape:** Eveno supports the Kerpape physical rehabilitation centre to help the physically disabled for 3 years
- **Réseau Entreprendre:** La Toulousaine sponsors the Réseau Entreprendre which provides financial and managerial support to local entrepreneurs
- **Dutch Cancer Society:** AVZ gives 0,05€ for each meter of Tibelly sun protection fabric sold



GOVERNANCE:

Autonomy, ethic, and profit sharing as guidelines

In 2023, a new governance structure will be implemented to align with the rapid external growth of the company. This streamlined organisation aims to enhance collaboration among the various entities, enabling them to collectively work towards shared objectives while retaining the agility needed for efficient decision-making. It also fosters individual commitment and entrepreneurial spirit within the group.



StellaGroup
A EUROPEAN INDUSTRIAL GROUP

01

A governance based on autonomy for each opco

02

The Stella Way, new corporate guidelines for collective performance

03

Share the success and share the performance

04

Promote sustainable procurement and business ethics

01 A GOVERNANCE BASED ON AUTONOMY FOR EACH OPCO



STRATEGY

StellaGroup operates with a light governance structure, granting significant autonomy to each company. Preserving their strong regional presence is a priority. Entities have Management Committees with delegated authority, aligning with the Stella Way's strategy and values.

The Stella Way promotes synergies, knowledge sharing, cost rationalisation, and cross-selling. Each entity implements its own strategy to achieve the Group's ESG objectives.

Monthly reporting based on physical data ensures close monitoring and prompt corrective actions. Major investments and strategic recruitment are handled by the Group.



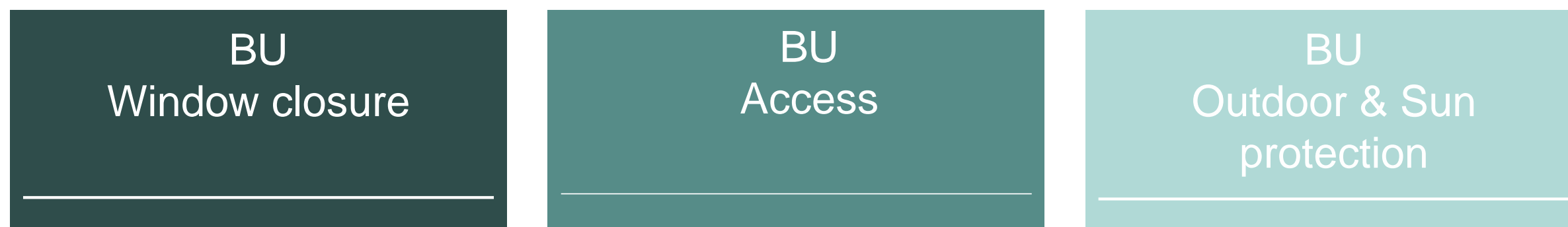
02 THE STELLA WAY: new corporate guidelines for collective performance



In order to support local teams operating with a high degree of management autonomy, the StellaGroup's corporate governance is based on lean corporate structures.

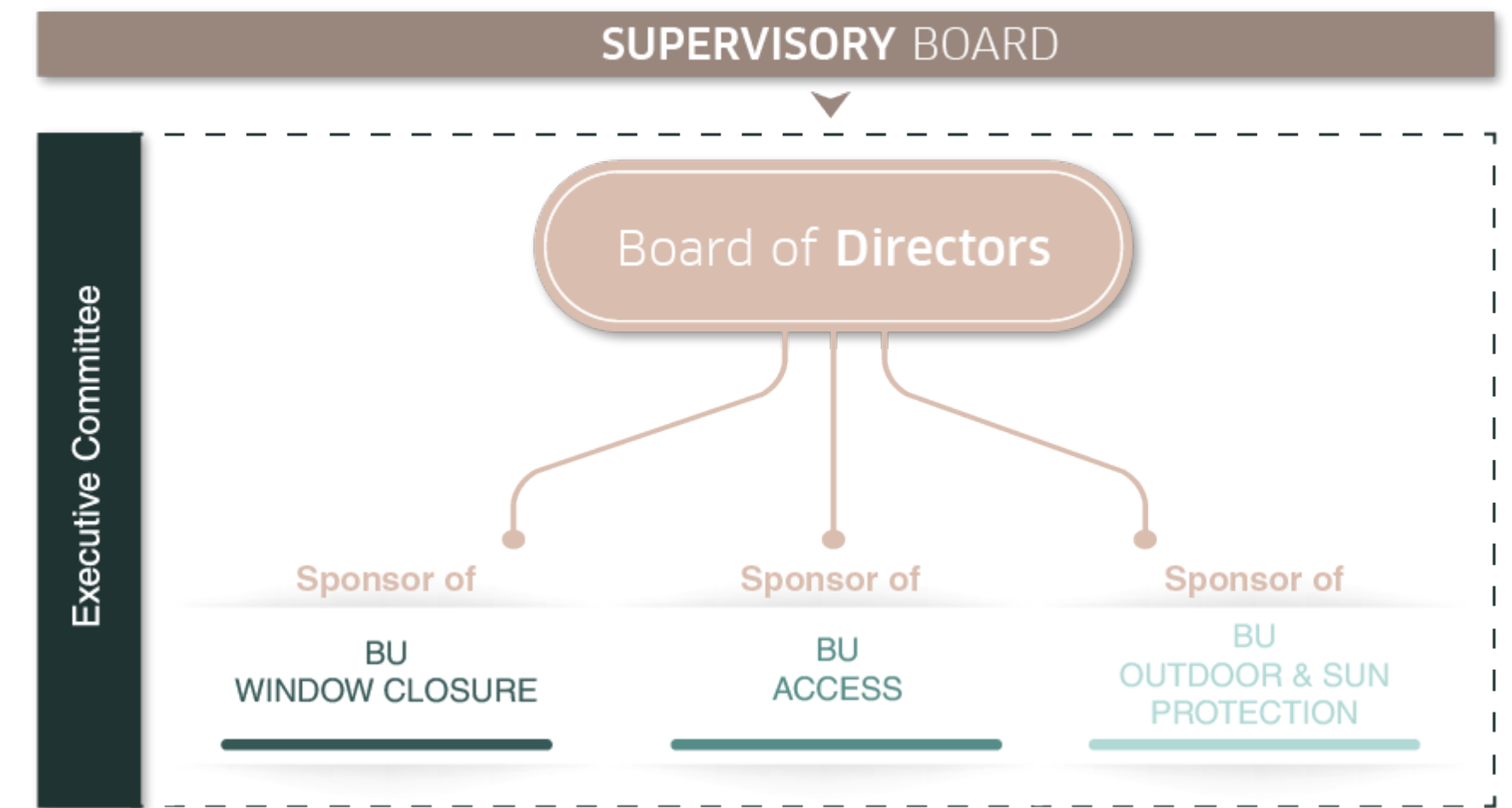
2023 will see the implementation of an ambitious strategic plan to strengthen business growth, consolidate a global approach to sustainability and encourage the adoption of the Stella Way, our corporate guidelines.

It will be supported by restructuring around three key product lines organised as Business Units:



Finance, Procurement and Operations are organised to foster strong industrial integration while preserving subsidiaries' operational independence.

The Board of Directors and the Supervisory Board will continue to operate on a flexible and collaborative basis, keeping the dialogue open with the Managing Directors.



Supervisory Board:

A forum for discussion on performance and strategy through a balanced membership.

- 4 members: PAI, majority shareholder
- 2 members: ICG, minority shareholder, of which 1 is a non-voting member
- 1 member: Management shareholders
- 1 member: Independent industry professional

Executive Committee:

Operational body in charge of consolidating local approaches to move towards common objectives. The executive committee gathers the Board of Directors and the 3 Heads of BU.

Board of Directors:

Participates to the Supervisory Board meetings and acts as a conductor for the 11 subsidiaries, keeping the dialogue open to exchange information, best practices and promote the Stella Way.

- Didier Simon, CEO
- Frank Schaedlich, COO
- Frédéric Lapellegerie, COO
- Gilles Venet, CFO

02 THE STELLA WAY: new corporate guidelines for collective performance



In just 10 years, the StellaGroup has integrated 9 companies in 4 different countries. Today, with 11 autonomous entities operating 15 plants across Europe, a new organizational structure has become necessary.

By leveraging the lean management methods that have been implemented in our historical plants and the long-standing expertise of each of our companies, we will rationalise our processes, target our initiatives, make continuous improvements, and share best practices.

These tried and tested methods formalised as the group's new governance guidelines, will help strengthen the bonds between the Group's entities and help companies align around the common objective of becoming a European reference in our sector and doubling our turnover in 5 years through organic and external growth.

THE VALUES AT THE HEART OF THE STELLA WAY



Constant attention to our environment



Respect, honesty and integrity



Strong social values



A safe and rewarding working environment for our employees

"The Stella Way is based on a long entrepreneurial tradition and on the principle that by relying on our expertise, lean organisations and strong social values, we strengthen our capacity for growth.

Deeply rooted in our industrial DNA, the Stella Way supports our ambition to become a European leader by harmonising and structuring the way we work with factual data. The first step towards industrial excellence will be to train all employees to read, formalise and share this data, we will therefore launch the Finance Stella Academy in 2023.

Becoming an efficient company is the backbone of our strategy and the Stella Way will guide us in achieving our business objectives and financial profitability, as well as being a benchmark for ESG in our industry."

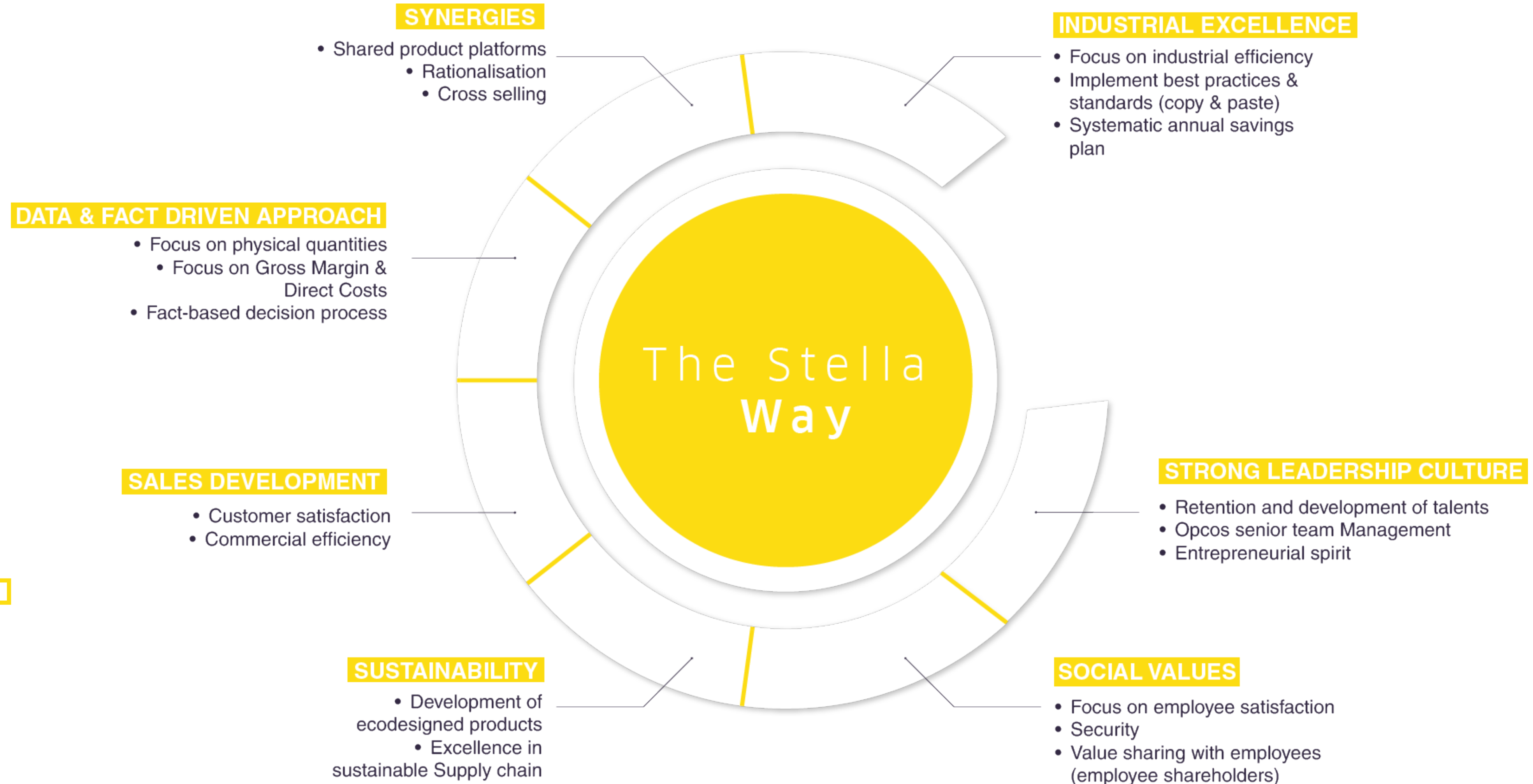
Frank Schaedlich
COO – StellaGroup



02 THE STELLA WAY: new corporate guidelines for collective performance



StellaGroup's strategy and values have been validated by the members of the Board, endorsed by the BU Directors and communicated to the Companies' Managing Directors. All entities are expected to contribute to the achievement of the 2030 goals by adopting the Stella Way as well as developing local initiatives.



03 SHARE THE SUCCESS AND SHARE THE PERFORMANCE



STRATEGY

In 2019, following a change in majority shareholder in France, an exceptional profit share of €3,000 was negotiated. Additionally, an employee investment fund was established, offering employees the opportunity to become shareholders with a matching contribution of €1,000. Remarkably, around 86% of French employees chose to invest.

This closed fund has a 5-year lock-in period, making the invested capital tax exempt. The scheme is closely tied to French tax law, and the Group is exploring the possibility of extending it to employees outside France.

The objective of this employee shareholding initiative is to ensure a fair distribution of the Group's created value, enhance employee engagement, and provide education on shareholding and financial markets.

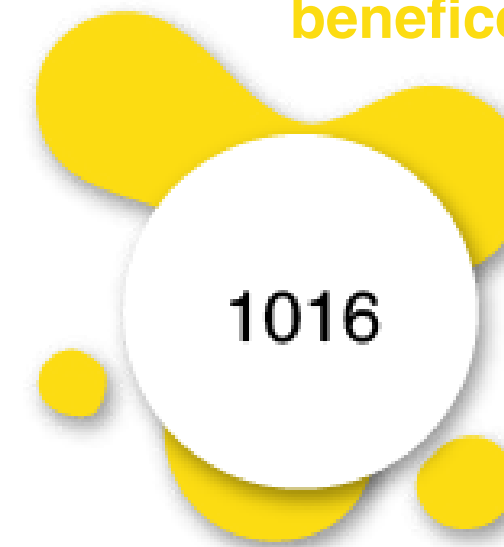
Other profit-sharing schemes include executive shareholding, incentive profit-sharing, and a company mutual fund with matching contributions.

OBJECTIVES AND AMBITIONS

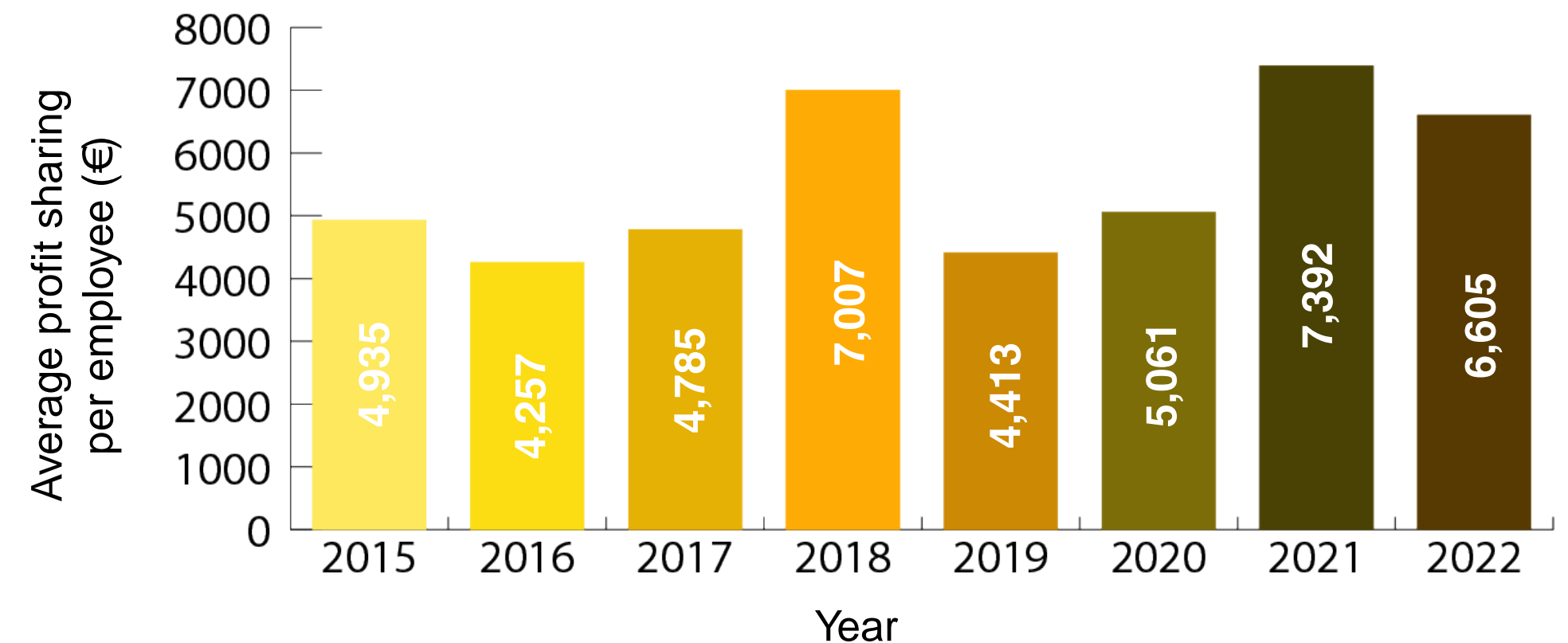
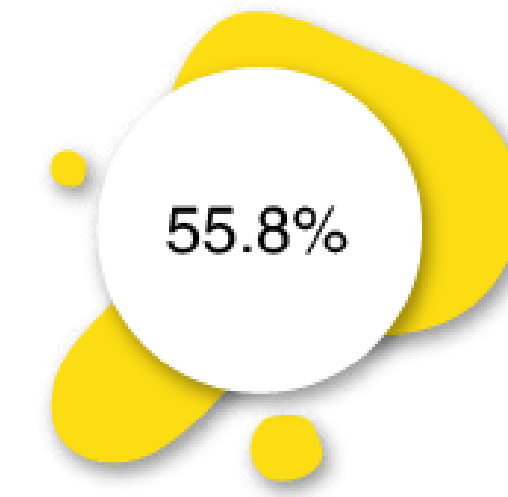
Next shareholder exit: 100% of employees worldwide have been offered the possibility to become shareholders of the Group

KPI

Profit sharing
beneficiaries (in nb)



Employee shareholders
France Y



The number of employee shareholders has slightly decreased since 2019 due to turnover. Future shareholding changes will offer new employees and those outside France the opportunity to become shareholders.

04 PROMOTE SUSTAINABLE PROCUREMENT & BUSINESS ETHICS



STRATEGY

The Group is yet to establish a unified code of conduct for all companies. However, several entities have already adopted sustainable procurement policies and supplier codes of conduct, which ensure compliance with:



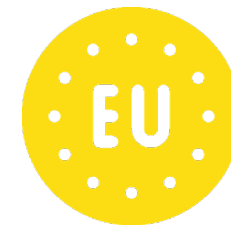
Human rights



Fair & equal treatment



Freedom of association



European regulations on conflict minerals

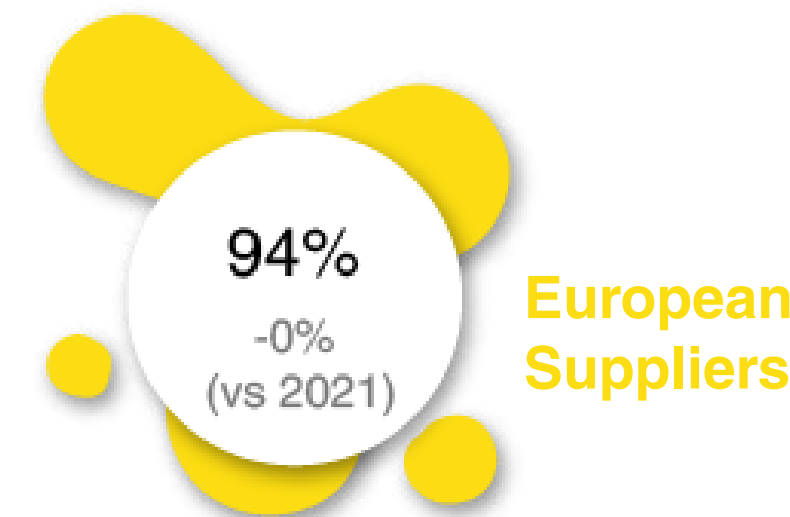
In addition, a cyber security audit was conducted across all Group companies and the resulting action plan was validated through a counter audit. Employees have been trained on cyber security good practices, and alerts are issued when risks are identified.

EXAMPLE OF PRACTICES

PROFALUX (*Window Closure*):

- 100% of the plastic injected in France (excluding remote controls) and 90% within 150 km of the factory
- 100% of awning fabrics manufactured within 150 km of the factory

KPI



94% of our suppliers are European, enabling flexibility and proximity with a limited carbon footprint on freight.

OBJECTIVES AND AMBITIONS

Develop an internal risk matrix to identify and address potential risks, implement mitigation measures and monitor

Formulate a comprehensive code of ethics applicable across the entire Group, fostering transparent and ethical business practices for all stakeholders

Enhance our IT security policy to enhance protection against cybercrime and reduce vulnerabilities

By the end of 2023, establish a clear and structured delegation of authority framework within the Group

CONCLUSIONS

After 3 years of internal reporting, we have decided to **communicate our ESG vision, values, and the results of our actions** in this annual ESG report. We have a **responsibility to act**, but we also have a **responsibility to raise awareness of these issues among our employees**, and we will build on one of our key strengths - **the ability to share best practices across our businesses** - to take a **collaborative approach to our challenges**.

Our main focus is on the environmental impact of our activities and the Group's commitments are to:

Reduce our carbon footprint by 50% by 2030, mainly through upstream Scope 3 reductions (aluminium, steel, ...)

Achieve carbon neutrality for scopes 1 and 2 in 2035 through proactive action plans at the level of our operating companies

Achieve carbon neutrality in 2050 (Scopes 1, 2 and 3)

Our **guidelines** for the coming years in terms of **social** and **governance** issues are:

Organise the StellaGroup into three business units to improve efficiency, create more synergies and further develop cross-selling, while maintaining a high degree of autonomy for each operating company

Implement the Stella Way in each company to foster a collective mindset

Attract, nurture and retain talented people thanks to strong values such as respect, profit sharing, job security and training

This ambitious roadmap will be broken down into annual milestones and **for 2023**, our **ESG outlook** is to:

- Document our roadmap to reduce our scopes 1 and 2 greenhouse gas emissions by 2035
- Start working on supply agreements to achieve low carbon aluminium and steel by 2030

Promote cross-functionality on ESG issues at Group level

Share our values and best practices through the Stella Way

Recruit an ESG project manager at Group level

Extend to all of our European entities a profit-sharing plan upon the next change of control

From 2024, we will be able to **track the progress** of our roadmap using **ESG ratings**.

INDICATORS TABLES - ENVIRONMENT

Indicator	Definition	Unit	2020	2021	2022	2022/2021
CO2 Emissions scope 1	See p11	T CO ₂ eq	3,056	6,407	6,587	+16%
CO2 Emissions scope 2	See p11	T CO ₂ eq	1,469	1,541	1,713	+11%
CO2 Emissions scope 3*	See p11	T CO ₂ eq	191,432	191,432	182,886	-4%
Total CO2 Emissions	Sum of the scope 1, 2 and 3	T CO ₂ eq	195,957	199,380	191,186	+16%
Carbon intensity	Total CO ₂ Emissions*1000/Total revenue	kgCO ₂ eq / k€	413	346	299	-14%
Electricity consumption	/	MWh	8,774	10,167	10,994	+8%
Electricity intensity	Total quantity of purchased electricity / Total revenue	MWh / M€	18.5	17.6	17.2	-2%
Gas consumption	HHV = Higher Heating Value	MWh HHV	15,980	18,022	16,811	-7%
Gas intensity	Gas consumption/ Total revenue	MWh / M€	33.7	31.2	26.3	-16%
Diesel and gasoline consumption	Take into account fuel consumption from all operated vehicles, owned and rented	Litres	1,215,315	1,342,214	1,394,306	+4%
Renewable electricity – Purchased	Electricity purchase stipulating the renewable nature of electricity (photovoltaic, wind,...) through guarantees of origin or renewable energy certificates or direct energy supply contracts (exclusion of renewable electricity produced & consumed onsite, and renewable electricity from country mix)	MWh	453	623	533	-14%
Renewable electricity – Produced	Total amount of electricity from renewable sources that is produced onsite and fed into the grid and/or self-consumed.	MWh	0	362	324	-10%
% of renewable energy purchased	100*Renewable electricity - Purchased/Total quantity of purchased electricity	%	5.2	6.1	4.9	-1.9%

*Carbon footprint assessment for scope 3 was done in 2020, in 2021 hypothesis that scope 3 unchanged i.e equal to 2020. In 2022 we included in our ESG report all the questions to assess our scope 3 hence we have a scope 3 assessment in 2022 onwards.

INDICATORS TABLES - ENVIRONMENT

Indicator	Definition	Unit	2020	2021	2022	2022/2021
% recycled aluminium	Purchased recycled aluminium/Total purchased aluminium	%	NA	NA	43.0	NA
% recycled steel	Purchased recycled steel/Total purchased steel	%	NA	NA	15.0	NA
Water consumption	Sum of all waters entered in the sites from water, ground water, fresh surface water, sea water (Exclusion: Volume of water recycled or reused on site)	m ³	17,554	20,682	19,834	-4%
Water intensity	Water consumption/Total revenue	m ³ /M€	37	35.9	31	-14%
Hazardous waste produced	Waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment. Hazardous wastes are materials that are known or tested to exhibit one or more of the following four hazardous traits (ignitability, reactivity, corrosivity, toxicity)	T	196.7	255.9	230.7	-10%
Non-hazardous waste produced	Examples of non-hazardous waste include: Food waste, Cardboard waste, Plastic waste, Glass waste, Metal waste, Wood/pallet waste, Rubber waste, Green waste, Domestic organic waste	T	5,863.2	6,468.7	6,434	-1%
Total waste produced	Sum of hazardous and non hazardous waste	T	6,059.9	6,694.6	6,664.7	0%
% non hazardous waste recovered	Waste recovery can take different forms (reuse, recycling, composting, incineration with energy recovery).	%	50	65.9	75	+9.1%
% hazardous waste recovered	/	%	81.6	93.2	77.6	-16.7%
% of total waste recovered	/	%	51.1	66.8	75.1	+8.2%

INDICATORS TABLES - SOCIAL

Indicator	Definition	Unit	2020	2021	2022	2022/2021
Permanent employees	Exclude external workforce (interim, agency/3rd party people, contractors, trainee, VIE), suppliers, employees absent for more than 9 months	employee	1,799	1,979	2,074	+5%
Non permanent employees	Exclude external workforce (interim, agency/3rd party people, contractors, trainee, VIE), suppliers, employees absent for more than 9 months	employee	99	109	130	+19%
Total workforce	Sum of permanent employees and non permanent employees	employee	1,898	2,088	2,204	+6%
% permanent employee	Permanent employee/Total workforce	%	94.8	94.8	94.1	-1%
Apprentices	/			46	47	+2%
Hires	Include recruitment and return of suspension of contract Note: the changes of contracts from non permanent to permanent should not be counted as hires to avoid double counting	jobs	298	377	336	-11%
Departures	Include resignation, individual dismissal, breach of contract for economic reasons, conventional breakage, end of contract, retirement, suspension of contract	jobs	229	339	323	-5%
Net jobs created	Hires - departures	jobs	69	38	13	-66%
Turnover	$(\text{Hires} + \text{Departures}) / 2 / \text{Total workforce}$	%	13.9	17.2	15	-2.2%
Seniority	Average time spent in the business by employees	years	NA	NA	9.9	NA
Charity donation	Amount donated over the year for charity actions (direct donation and financial estimation of in-kind donations).	k€	59.7	139.2	142.8	+3%

INDICATORS TABLES - SOCIAL

Indicator	Definition	Unit	2020	2021	2022	2022/2021
Gender equality index	Based on 100 points including equality in salary, equality in salary increase, equality in promotion, number of female employees promoted after returning from maternity leave, and equality of the ten highest salaries Mean of the grade of Profalux and Flip	/100	NA	86.5	83.2	-4%
Women in permanent employees	/	women	354	388	431	+11%
% of women in permanent employees	Women in permanent employees/Permanent employees	%	19.7	19.6	20.8	+1.4%
Women in management	The following criteria can be used to define managers: - an employee responsible for at least one person or a team - an employee responsible for running part or the whole of a business or functional unit - employees who appraise subordinates In France, the number of managers can be considered as the number of Cadres.	women	30	38	49	+36%
% of women in management	Women in management/ Total number of managers	%	15.5	17.9	18.7	+0.8%
Women in senior leadership	Include executive committee members, heads of countries, heads of departments, heads of subsidiaries	women	10	9	8	-11%
% of women in senior leadership	Women in senior leadership/ Total number of employees sitting at a senior leadership position	%	19.2	18.4	13.6	-4.8%

INDICATORS TABLES - SOCIAL

Indicator	Definition	Unit	2020	2021	2022	2022/2021
Absenteeism rate	Number of days of absence/Working hours	ratio	5.8	6.6	7.2	+8%
Number of work accidents with lost days	Inclusion: events in the work place / during the course of work, during business trips, during working time or overtime Exclusion: while working from home, on site while doing non work-related activities, commuting between home and workplace, during holidays; etc.	work accident	62	98	105	+7%
Lost days	Days Lost should be reported as calendar days lost (including week-ends, public holidays...) The day of the accident is not included in the total If the employee comes back to work and relapses, the days lost of the 2nd and following leaves should be reported After 9 months of absence due to an accident, days lost must no longer be reported (see rules for 'Number of employees')	days	1,987	2,239	2,837	+27%
Frequency rate	Number of work accidents divided by the number of hours worked, multiplied by one million.	ratio	20.5	28.1	29.6	+5%
Severity rate	Number of days of temporary disability multiplied by one thousand, divided by the number of hours worked.	ratio	0.7	0.6	0.8	+25%
Hours of training	A training corresponds to an acquisition of knowledge and can include classroom, e-learning, distance or "on the job" trainings, internal and internal actions. The number of training hours taken into account must correspond to learning actions measurable, traceable (e.g. attendance sheets, certificate, training program, etc.) with educational objectives	hours	7,449	12,589	11,919	-5%
Employees trained	/	employee	588	726	915	+26%
% of employees trained	Employees trained / total workforce	%	31.0	34.8	41.5	+19%
Hours of training per employees	Hours of training/'Total workforce	hours/employee	3.9	6.0	5.4	-10%
Training budget	/	k€	458.7	500.5	477.5	-5%

INDICATORS TABLES - GOVERNANCE

Indicator	Definition	Unit	2020	2021	2022	% evolution 2022/2021
Employee shareholders France		%	/	/	55.8	/
Profit sharing received per French employee	=Total profit sharing legal and contractual / Number of profit sharing beneficiaries	€/employee	5,061	7,392	6,605	-10%
% of European suppliers	/	%	NA	94	94	0%



METHODOLOGY NOTE

The scope of this ESG report includes the 11 companies of the StellaGroup as well as the holding company, and covers the period from 01/01/2022 to 31/12/2022.

Exceptions are made for the following indicators:

- Hazardous waste: not available for Alulux
- Gender equality index: Profalux and Flip only
- Seniority: Profalux, Eveno, Erhardt, La Toulousaine and AVZ only
- Global Index: Alulux, Duotherm, Erhardt Markisen, AVZ, SWS and Tenbrink only, for financial year 2021

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StellaGroup
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