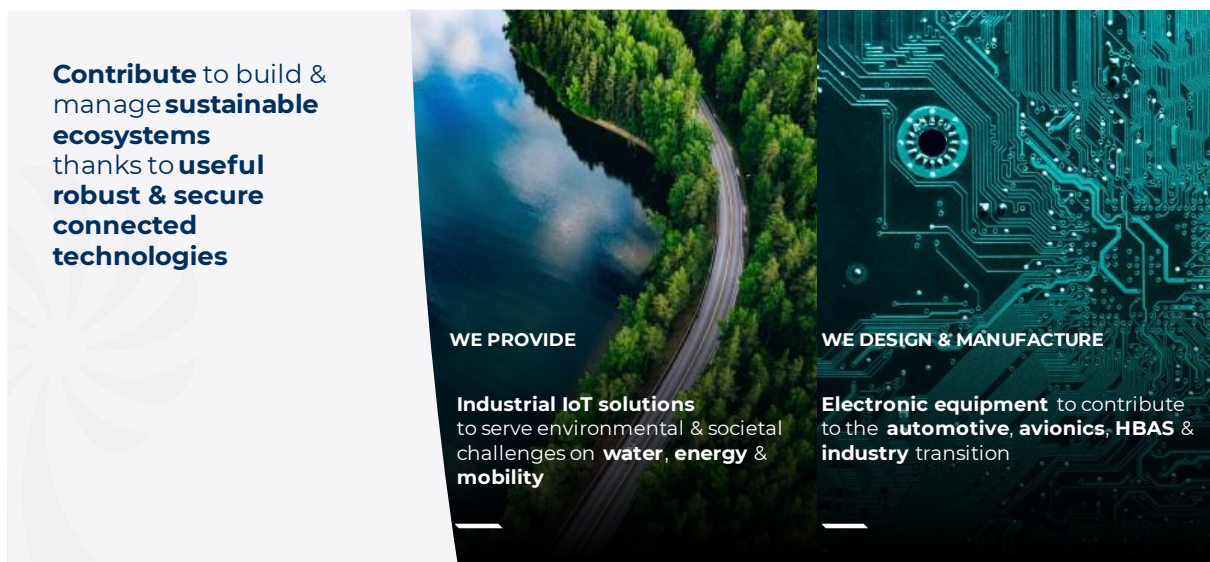




Responsible purchasing Policy

February 2024

LACROIX is an international technology and industrial company that designs and manufactures electronic equipment and industrial IoT solutions.



Context

The last few years have been turbulent: Covid, war in Ukraine, resurgence of inflation, prolongation of the crisis in electronic components, tensions on the European energy system and global supply chains, conflict in the Middle East...

The summary report of the IPCC's sixth assessment report on climate change mitigation, published in 2023, warns that "without immediate and substantial reductions in emissions in all sectors, it will be impossible to limit global warming to 1.5°C".

The world is now at a crossroads and must embark on an unprecedented ecological transition in a difficult geopolitical, economic and social context.

Our vision and positive impact strategy

We believe that technology should be useful and eco-designed.

We do not believe that the solution to the ecological crisis is purely technological, but we are convinced that technology is essential to meeting environmental and societal challenges.

In a world where energy and resources are becoming increasingly scarce and precious, the technologies we retain and develop must demonstrate their usefulness and sobriety.

To meet these challenges and contribute to the ecological transition, LACROIX has defined a **positive impact strategy** comprising 4 major commitments and 11 priorities:

Grow positive impact business	Design eco-efficient solutions	Run sustainable operations	Commit to our people & regional presence
Focus on positive impact solutions	Eco-design our products	Reduce our greenhouse gas emissions	Care and share
-	-	-	- Empower our people
Create sustainable business models	Develop plain digital solutions	Limit other environmental impacts	- Promote diversity & equity
		-	-
		Improve practices in our supply chain	Commit to our regional presence

Our Responsible purchasing Policy aims to define the ambition, objectives and resources that will enable us to give substance to the 3rd priority of our 3rd commitment: "Improving practices in our supply chain".

Definition of responsible purchasing

The ISO 20400 standard defines responsible purchasing as "purchasing that has the greatest possible positive environmental, social and economic impact over its entire life cycle".

LACROIX's Responsible purchasing Policy considers these three pillars - environmental, social and economic - as well as the entire life cycle of the purchases concerned.

Why work on sustainable procurement?

Every year, LACROIX purchases nearly 20,000 tonnes of raw materials (PCBs, electronic components, metal, plastic, cardboard, etc.), as well as energy, buildings, vehicles, IT equipment, etc.

Purchases account for more than 50% of LACROIX's sales and more than 80% of the Group's overall carbon footprint (excluding the use of products sold).

In a world where the impact of our activities on natural ecosystems and human societies is increasingly unsustainable, working to make our purchases more responsible is as much an ethical duty as an ecological necessity.

Furthermore, the implementation of more responsible purchasing practices is a growing demand from our customers and an increasingly stringent regulatory requirement. We are convinced that in the years to come, responsible purchasing will become a key differentiating factor in our markets.

Finally, in a world where energy and resources are becoming increasingly scarce and expensive, we are convinced that in the long term, the work we are doing on responsible purchasing will enable us to reduce and secure our supplies of raw materials and optimise the total cost of our products.

Our ambition

Our Responsible purchasing Policy reflects our determination to integrate the principles of sustainable development into all our business activities and to promote them in our relations with our partners.

It also provides a common frame of reference for our purchasing teams and suppliers.

Our Responsible Purchasing policy has 3 major objectives:

- To contribute to the overall performance of LACROIX by creating sustainable value and ensuring the availability of our products and services at the best total cost.
- Build balanced relationships with our suppliers and contribute to the creation of ethical and responsible supply chains.
- Improve the environmental and social performance of our suppliers, in particular by helping them to reduce their carbon footprint, develop eco-designed solutions and improve working conditions for their employees.

Objectives

By 2025, we want 75% of our purchasing volume to be covered by a CSR assessment.

In 2025, once this target has been met, we will set ourselves a 2030 performance target.

To achieve this target, we are committed to working closely with our stakeholders to promote green practices and encourage positive change in our supply chain.

Issues and levers for action

We design and manufacture electronic equipment and industrial IoT solutions. Our products include hardware (PCBs, electronic components), mechanical parts (metal, plastic) and packaging.

We purchase and transport large quantities of these raw materials every year. On the non-production side, as mentioned, we also purchase energy, buildings, vehicles, IT equipment, etc.

In order to reduce the ecological footprint of our purchases as much as possible, we have identified the following 8 key issues and levers for action:

Theme	Key issues	Levers for action
Environment	Sourcing of eco-designed solutions	- Technology watch in conjunction with R&D - Pilot projects with certain suppliers/customers
	Decarbonization & environmental footprint of our suppliers	- Evaluating and monitoring the performance of our suppliers - Reinforcement of contractual clauses
	Packaging	- Reducing the amount of packaging - Use of recycled/biobased packaging
	Optimizing logistics flows	- Relocation of certain suppliers - Optimisation of distances travelled and loading
Social	Hazardous materials and conflict minerals	- Regulatory compliance (REACH, RoHS, Conflict mineral...)
	Human rights, working conditions and inclusion in our supply chain	- Evaluating and monitoring the performance of our suppliers - Reinforcement of contractual clauses
	Ethics and corruption	- Strengthening internal processes / whistleblowing procedure - Reinforcement of contractual clauses
Economic	Fair and sustainable relations with our suppliers	- Compliance with payment deadlines - Reinforcement of contractual clauses

We set ourselves progress targets for each of the 8 key issues identified.

Organization, tools / processes and training

Organization

The deployment of our Responsible purchasing Policy is steered at the highest level of the Group, jointly by the Purchasing and CSR departments.

For each of the 8 key issues identified, we have set up a working group comprising a pilot and several buyers from all the Group's entities.

We also carry out an annual review of the progress made with all the Purchasing and Supply Chain teams.

Tools / processes

- *CSR risk mapping*

Every year, our buyers reassess the level of CSR risk associated with each of the suppliers for whom they are responsible. This annual review enables us to identify suppliers requiring specific attention.

- *Supplier's Code of conduct*

LACROIX has drawn up a Supplier's Code of conduct, which sets out all its requirements of its suppliers in terms of social (human rights, health and safety, working conditions, etc.), environmental (greenhouse gas emissions, energy, water, pollution, etc.) and ethical (commercial practices, corruption and conflicts of interest, etc.) issues.

All LACROIX suppliers must sign this document and undertake to comply with its requirements.

Our purchasing departments, in partnership with our quality departments, regularly check our suppliers' compliance with these requirements. The audits cover various subjects, such as the supplier's ability to meet our needs, their technical skills, their management of the quality system, their respect for environmental rules and their compliance with labour legislation.

- *Performance evaluation*

The selection and regular evaluation of our suppliers takes into account their environmental and social performance.

We have built an evaluation tool that enables us to know the ambition, policies and objectives of our main suppliers on environmental, social and governance issues, and to monitor precisely the actions they implement and the results they achieve.

We assess suppliers when they are selected, and at least once a year thereafter. Each evaluation is the subject of a report sent to the supplier. If the situation so requires, we set up a progress plan in conjunction with the supplier.

- *Supporting our suppliers*

We believe it is essential to equip our suppliers and assist them in implementing better environmental and social practices.






Every year we organise a supplier convention dedicated to CSR issues, during which we highlight the progress made and share best practice.

In addition, we have designed a "CSR Start-up Guide" to set out our expectations of our suppliers and advise them on the tools, methods and guidelines to use.

Training

The commitment of all the Purchasing and Supply Chain teams is essential. After an initial Responsible Purchasing seminar in August 2023, we are regularly conducting training/awareness-raising initiatives for our teams on ecological issues in general and on the problems associated with responsible purchasing and the key issues identified in particular.

Annex : LACROIX 2030 impact targets

	Impact indicators	2022	 2030 TARGETS
 GROW POSITIVE IMPACT BUSINESS	Share of impact products in revenue	61%	80%
 DESIGN ECO-EFFICIENT SOLUTIONS	Share of new LACROIX products eco-designed	25%	100% in 2025
 RUN SUSTAINABLE OPERATIONS	GHG emissions scopes 1&2 (vs 2021) ----- GHG emissions scopes 3 (vs 2021) ----- Waste generated per K€ of revenue ----- Share of purchasing spend covered by a CSR assessment	11.7 KtCO ₂ e 2.35 MtCO ₂ e 2.8 kg 0%	-42% Ongoing definition and validation by SBTi -30% 75% in 2025
 COMMIT TO OUR PEOPLE & ACT LOCALLY	LACROIX sites Great Place to Work certified ----- Women among managers	33% (on 3 test sites) 26%	100% 40%