



Impact Report

2023





CONTENTS



EDITORIAL

2023 will be remembered as a crucial year for LACROIX in terms of our commitment to society.

In March we made an official commitment to the Science Based Targets Initiative to set targets for reducing our greenhouse gas emissions in line with the Paris agreement.

In September, we obtained a score of 61/100 in Ecovadis (silver medal), up 15% compared with 2022 (53/100), which rewards all the actions we are implementing.

In November we launched the Great Place To Work assessment, one of the main international labels for quality of life at work, at all LACROIX sites worldwide.

Finally, on 7 December we unveiled our **positive impact strategy** and our 8 impact objectives for 2030.

This first impact report gives a transparent account of our progress, but also of the challenges we face. We will address issues such as the percentage revenue from of impact products, eco-design, low-carbon trajectory, responsible purchasing and quality of work life. We will publish an updated impact report every year.

In 2023, we reaffirm our **deep commitment to useful, eco-designed technology**.

As an international technology and manufacturing company, LACROIX has, since the early 2000's, always prioritized supporting societal change. Our growth strategy centres on technologies that contribute to the common good. While we aim to **continue expanding, we are committed to doing so responsibly**.

And because words are not enough, we have set a specific and measurable goal: to achieve **80% of our revenue from impact products by 2030**.

This means foregoing certain markets if they contradict our vision of useful technology. But above all it means concentrating our energy and resources on electronic solutions that help build a sustainable world: decarbonised mobility, energy-efficient industry and the optimization of water, heating, electricity and public lighting systems.

We are convinced that these will be the most buoyant markets in the long term... and they already are.

The Executive Committee and I are more determined than ever, and we firmly believe that **positive impact will generate the most profitable and sustainable growth** for LACROIX.



Vincent Bedouin
Chair & CEO



OUR VISION

USEFUL AND ECO-DESIGNED
TECHNOLOGY

HOW DOES *TECHNOLOGY* IMPACT *THE ECOLOGICAL TRANSITION*?

Every day, we use large quantities of energy and raw materials to manufacture our products. As a technology and manufacturing company, we need to take a hard look at the environmental footprint of technology and focus on applications that make the greatest contribution to the ecological transition.

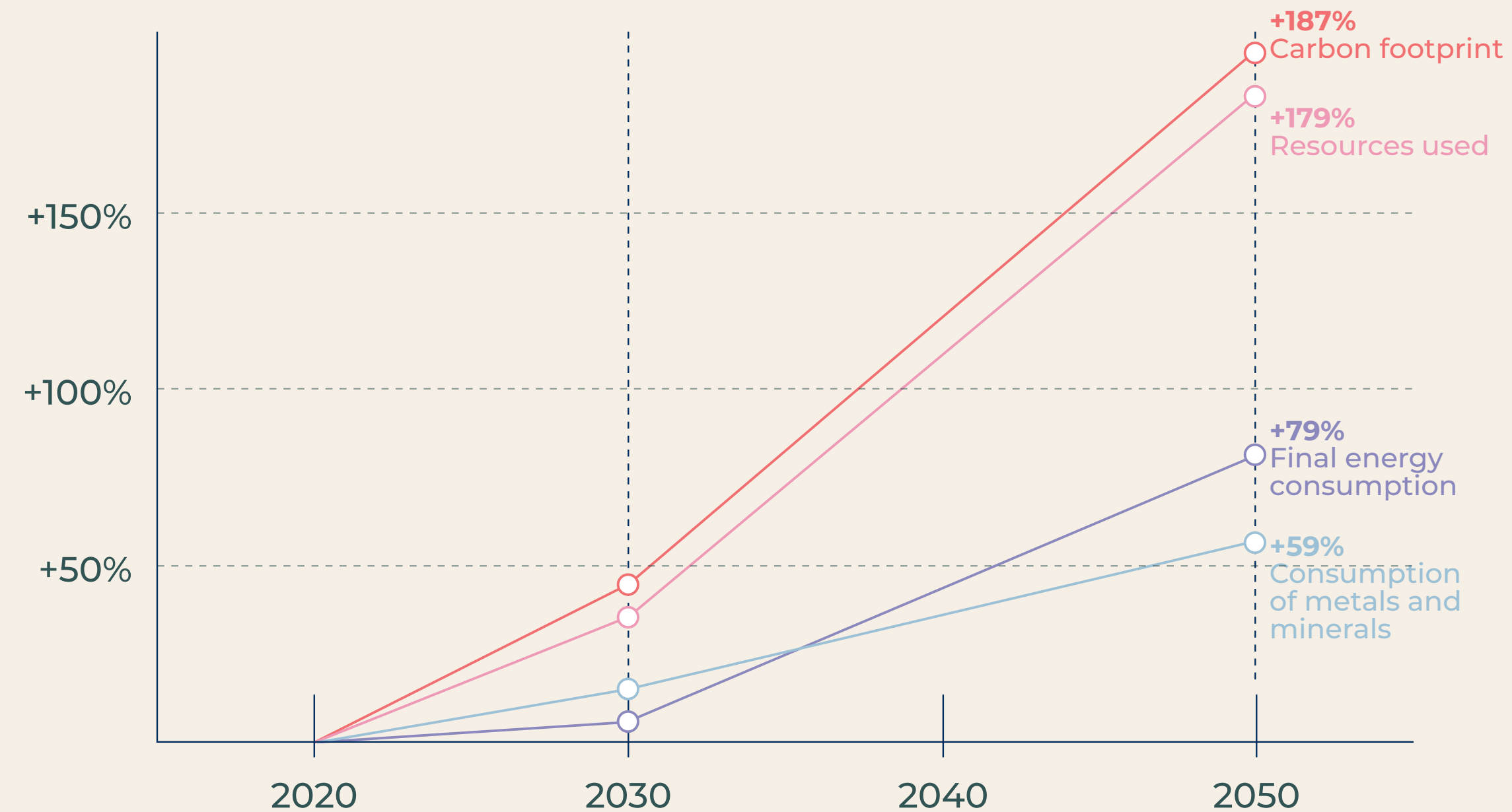
Digital: a fast-growing footprint

The digital sector now accounts for almost 4% of greenhouse gas (GHG) emissions worldwide¹, twice the footprint of the aviation sector.

In France, unless something is done, **the digital sector's carbon footprint could almost triple** by 2050 compared to 2020².

According to ARCEP, this increase will be fuelled by the surge in data traffic due to the growing number of devices and practices, as well as the expected expansion of digital markets. Key areas of growth include telehealth, industry, smart buildings, 5G and upcoming 6G mobile networks, network virtualisation, edge computing, artificial intelligence, blockchain, augmented reality, and virtual reality.

(1) Environmental footprint of the global digital economy, Green IT, 2019,
(2) Environmental footprint of the digital economy in 2020, 2030 and 2050, ADEME - Arcep, 2023



The projected environmental footprint of digital technology in France, ADEME - Arcep study, 2023



HOW DOES *TECHNOLOGY* IMPACT *THE ECOLOGICAL TRANSITION*?

Technology is essential to the ecological transition

The main international organisations and scientists agree that **digital technologies have a major role to play in the fight against climate change** and, more broadly, in ensuring an environmentally safe and socially just space in which humanity can thrive³.



« More than two-thirds of the UN
SDGs can benefit directly from digital
technologies. »

UNDP/ITU 2023



(3) See the Doughnut Theory, by economist Kate Raworth



« Digital technologies including sensors, the internet of things, robotics, and artificial intelligence can improve energy management in all sectors; they can increase energy efficiency, and promote the adoption of many low-emission technologies, including decentralised renewable energy. »

Summary report of the 6th IPCC assessment report

OUR MANIFESTO FOR USEFUL AND ECO-DESIGNED TECHNOLOGY

The ecological situation is serious and requires an immediate and strong response. The world must embark on a **transition on an unprecedented scale** in a complex geopolitical, economic and social context, and the coming decades will be crucial.

This is a colossal challenge, and **LACROIX is determined to play a leading role** in the transition.

We don't believe that the solution to the ecological crisis is purely technological, but we are convinced that **technology is essential** for addressing environmental and societal challenges.

In a world where energy and resources are increasingly scarce and precious, the technologies we choose and develop must prove to be both **useful and resource-efficient**.

Our commitment to **useful and eco-designed technology** is a core component of our **positive impact strategy**.

To achieve this vision, we have set **ambitious, time-bound, quantified and public objectives**. And every year we report on our progress to ensure complete transparency.

We also share this commitment with all our stakeholders, we and work with other like-minded businesses, because we believe that only through **cooperation** can we create productive synergies and **sustainable business models**.



LACROIX: AN *INTERNATIONAL* TECHNOLOGY & MANUFACTURING COMPANY

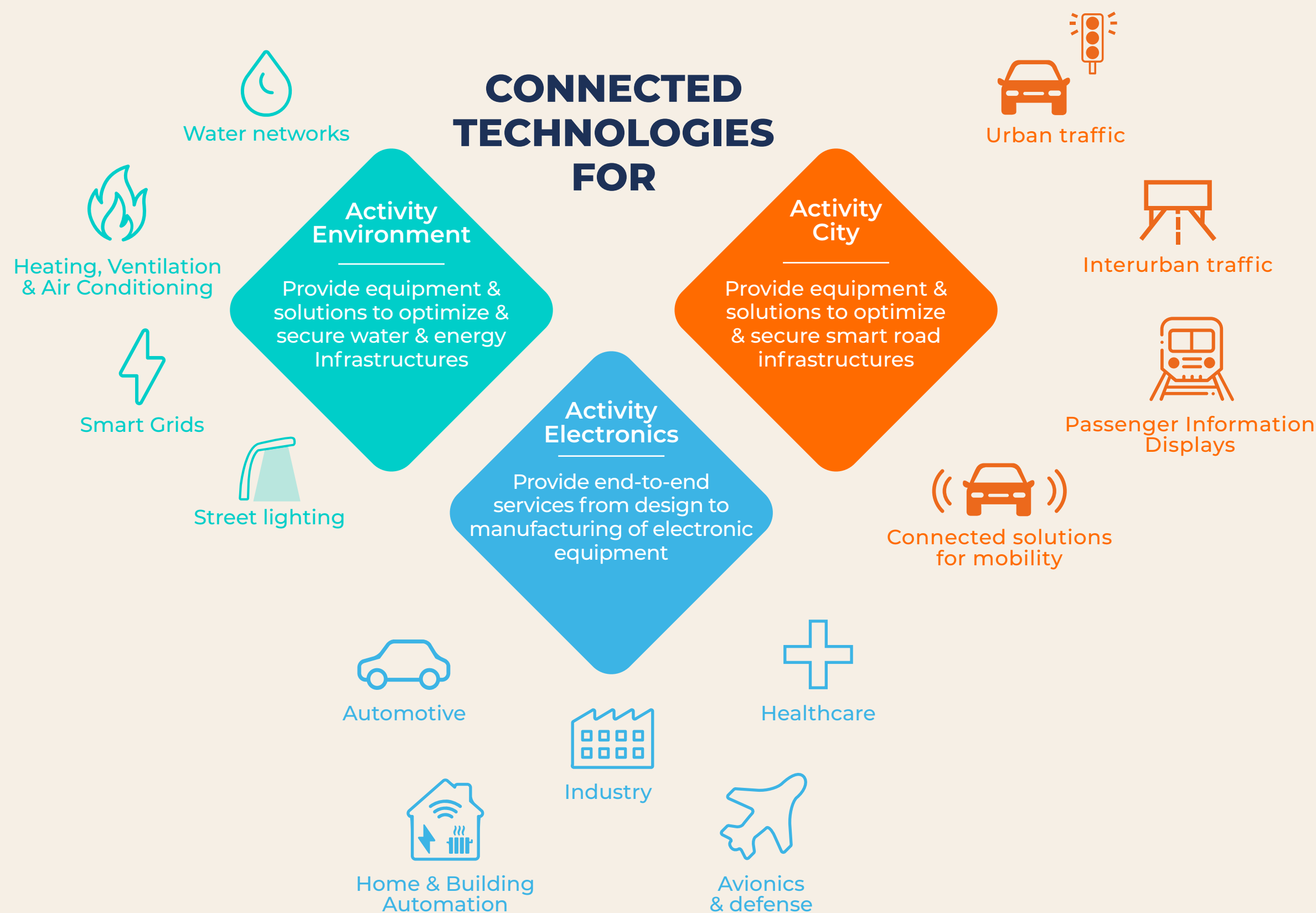
OUR AMBITION

Become a **global leader in industrial IoT solutions** and **electronic equipment** for critical applications.

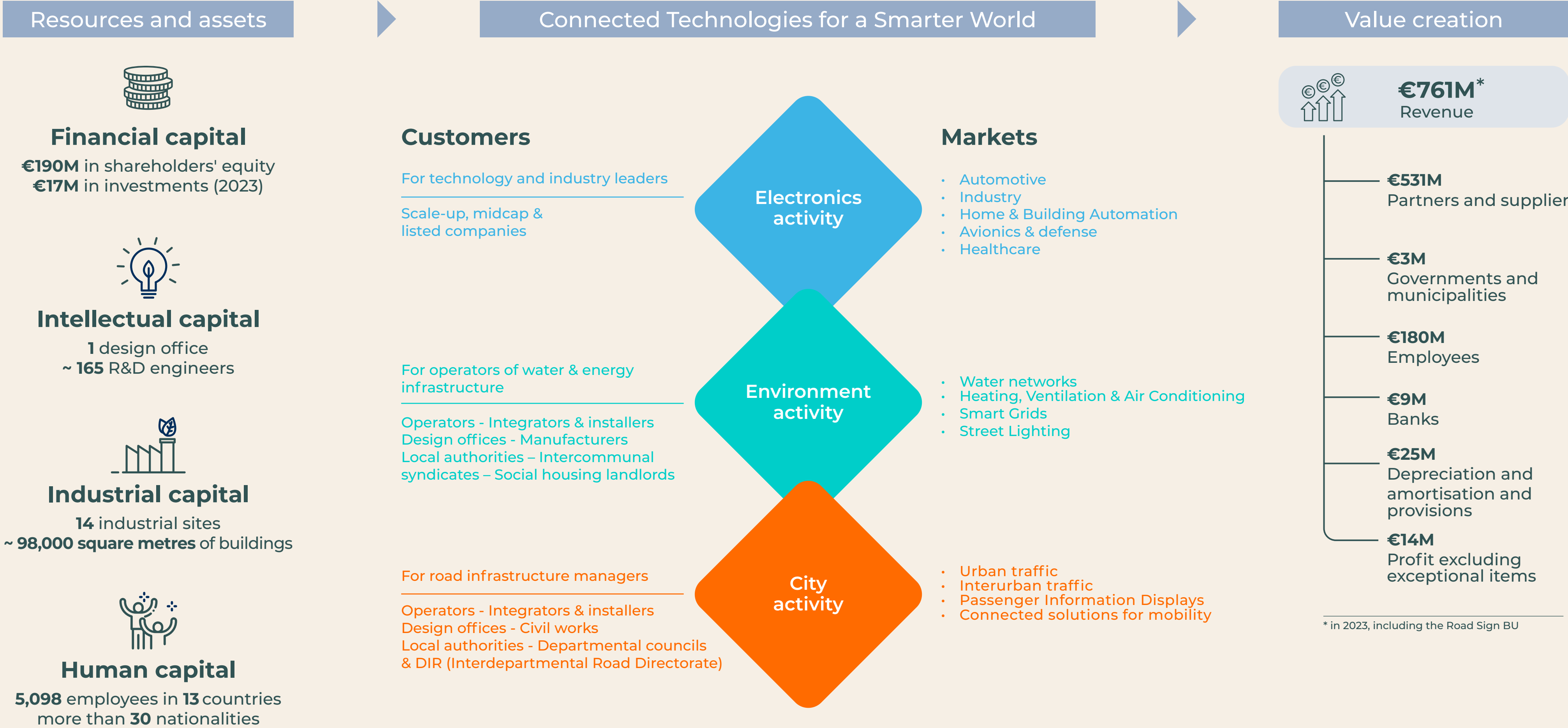


€761M*

Revenue in 2023
*including the Road Sign BU



OUR *BUSINESS MODEL*



KEY SUSTAINABILITY ISSUES STEMMING FROM OUR ACTIVITIES

We are an international technology and manufacturing company.

We employ around 5,000 people and buy thousands of tonnes of electronic components, printed circuits, metal and plastic every year, which we process in our plants on three continents into electronic equipment and industrial IoT solutions to meet environmental and societal challenges in the fields of water and energy.

Our activities have an impact on environmental, social and governance issues, which in turn present risks and opportunities for our performance.

The following are the **sustainability issues that we consider to be the most important** based on our activities. In accordance with the requirements of the CSRD, we are currently carrying out a **dual materiality analysis**, the detailed results of which will be presented in our 2024 Sustainability Report.



Environmental issues

- ✔ Contribution of our products to the ecological transition
- ✔ Eco-design of products
- ✔ Resource consumption
- ✔ Greenhouse gas emissions and energy consumption
- ✔ Environmental issues in our upstream value chain (water consumption, pollution, biodiversity, etc.)
- ✔ Product safety and hazardous materials



Social and governance issues

- ✔ Health, safety, and well-being at work
- ✔ Diversity and equity
- ✔ Training and individual career paths
- ✔ Working conditions in our upstream value chain
- ✔ Business ethics and corruption



OUR AMBITION

POSITIVE IMPACT STRATEGY
AND 2030 OBJECTIVES

OUR *POSITIVE* IMPACT STRATEGY

To make our commitment to useful and eco-designed technology a core part of our strategy and operations, we have established four key commitments and eleven priorities. These are aligned with the most significant environmental and social issues related to our activities.



GROW POSITIVE-IMPACT BUSINESS

Focus on positive impact solutions

-

Create sustainable business models



DESIGN ECO-EFFICIENT SOLUTIONS

Eco-design our products

-

Develop plain digital solutions



RUN SUSTAINABLE OPERATIONS

Reduce our greenhouse gas emissions

-

Limit other environmental impacts

-

Improve practices in our supply chain



COMMIT TO OUR PEOPLE AND ACT LOCALLY

Care & share

-

Empower our people

-





Promote diversity and equity

-

Act local

OUR OBJECTIVES FOR 2030

For each of our 4 commitments, we have defined quantified impact targets for 2030:

	Impact indicators	2030 Objectives
 GROW POSITIVE-IMPACT BUSINESS	Share of impact products in revenue	80%
 DESIGN ECO-EFFICIENT SOLUTIONS	Share of new LACROIX products eco-designed	100% by 2025
 RUN SUSTAINABLE OPERATIONS	GHG emissions scopes 1&2	-42%
	GHG emissions scope 3	Currently being defined and validated by the SBTi
	Waste generated per €K of revenue	-30%
	Share of purchasing spend covered by a CSR assessment	75% by 2025
 COMMIT TO OUR PEOPLE AND ACT LOCALLY	LACROIX sites Great Place to Work certified	100%
	Women among managers	40%



OUR ACTIONS

FOR OUR PRODUCTS,
IN OUR OPERATIONS,
WITH OUR TEAMS

COMMITMENT 1: GROW POSITIVE-IMPACT BUSINESS

To determine whether our products contribute to the ecological transition and to measure their net impact, we have developed two specific tools.

[Tool] The Impact score to assess the impact of our activities

Built on **established theoretical frameworks**⁴, the Impact Score enables us to evaluate whether a product contributes to the ecological transition.

100% of our Electronics and Environment products are assessed and classified into 3 categories:



EXCLUDED PRODUCT



NEUTRAL PRODUCT



IMPACT PRODUCT

FOCUS ON... positive impact products

To be considered as positive impact, a product must contribute to at least one of the 6 environmental and social benefits listed below, inspired by the European Taxonomy:

- Water
- Energy and decarbonisation
- Pollution
- Human and animal health and safety
- Biodiversity
- Circular economy and resource conservation

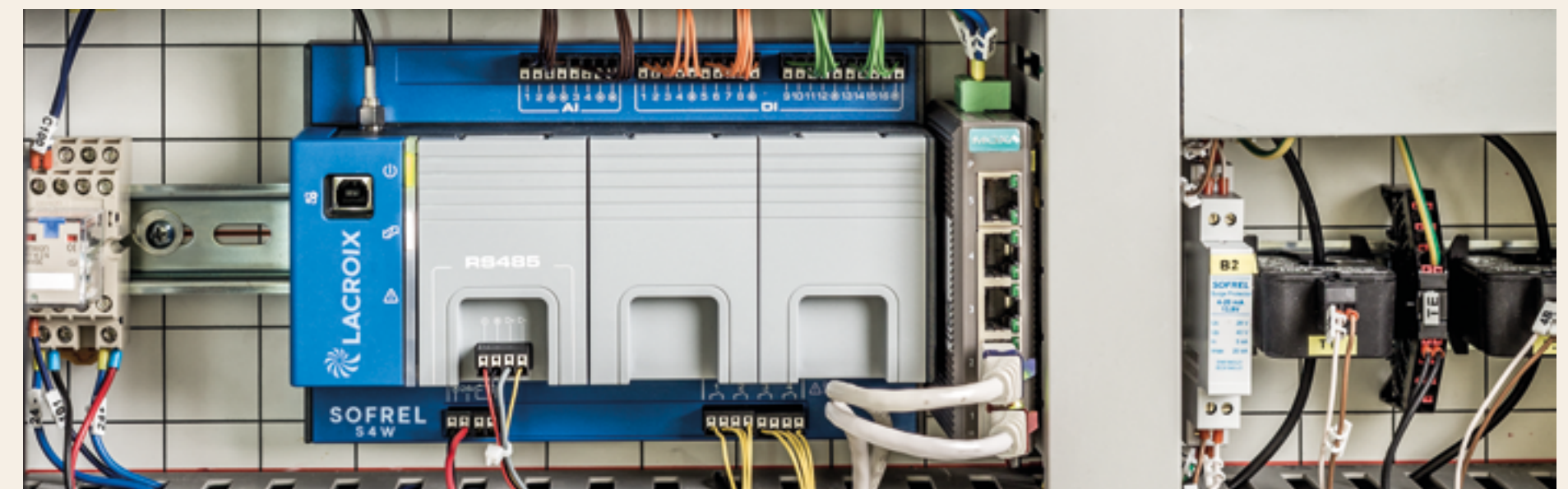
(4) European Taxonomy, 6th IPCC report, Sustainable Development Goals, ADEME Transitions 2050 scenarios

[Tool] Quantifying the environmental benefits of our solutions

Our products are designed to secure and optimise critical infrastructure.

In a landscape increasingly filled with technological solutions claiming to have an "impact," it is crucial for us to **accurately measure the net effect of our products**—specifically, the difference between the benefits they deliver and their environmental footprint.

To achieve this, we have developed a **project footprint quantification tool** based on the **Empreinte Projet** method, published by ADEME in 2021.



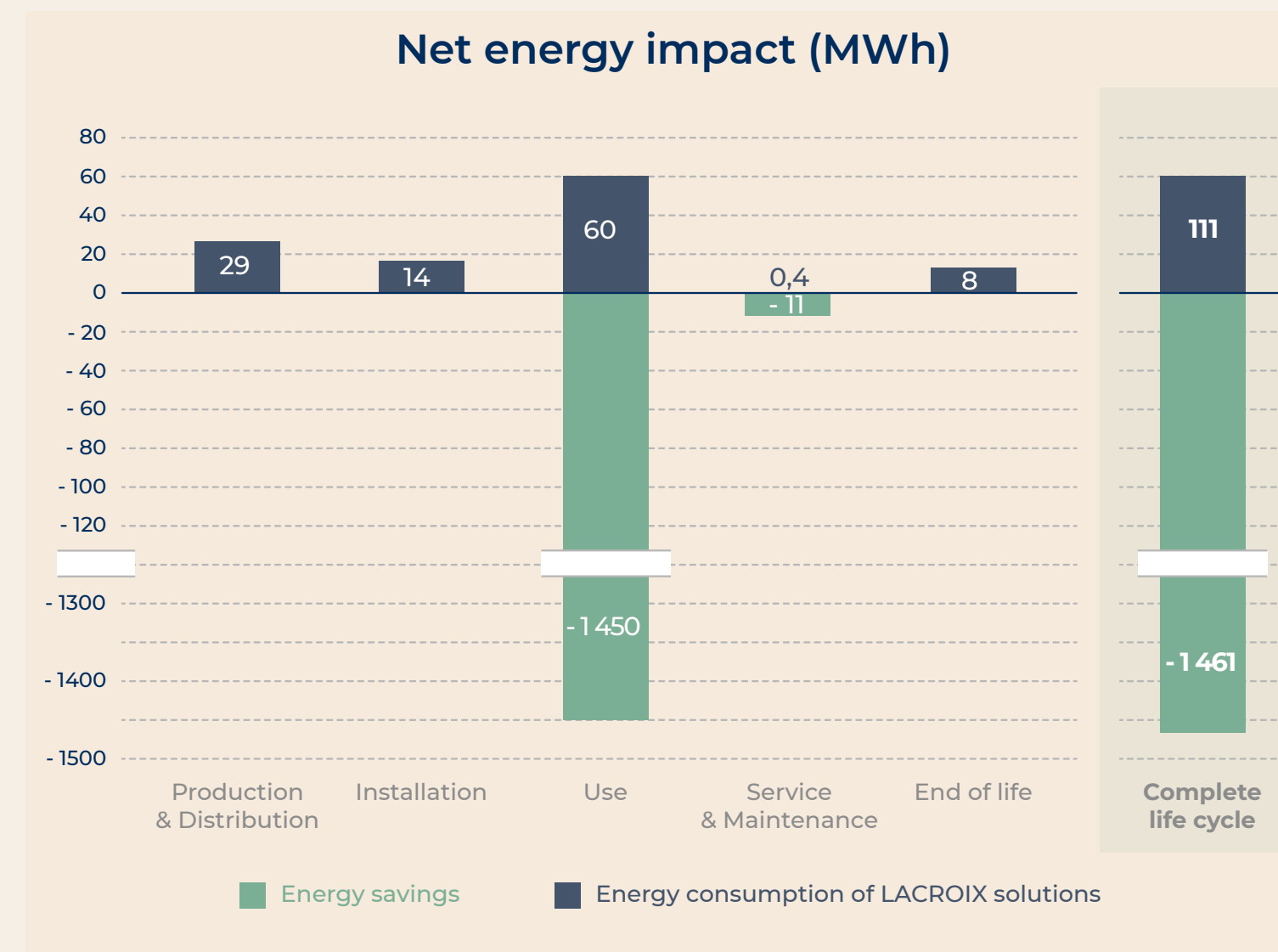
COMMITMENT 1: GROW POSITIVE-IMPACT BUSINESS

FOCUS ON...

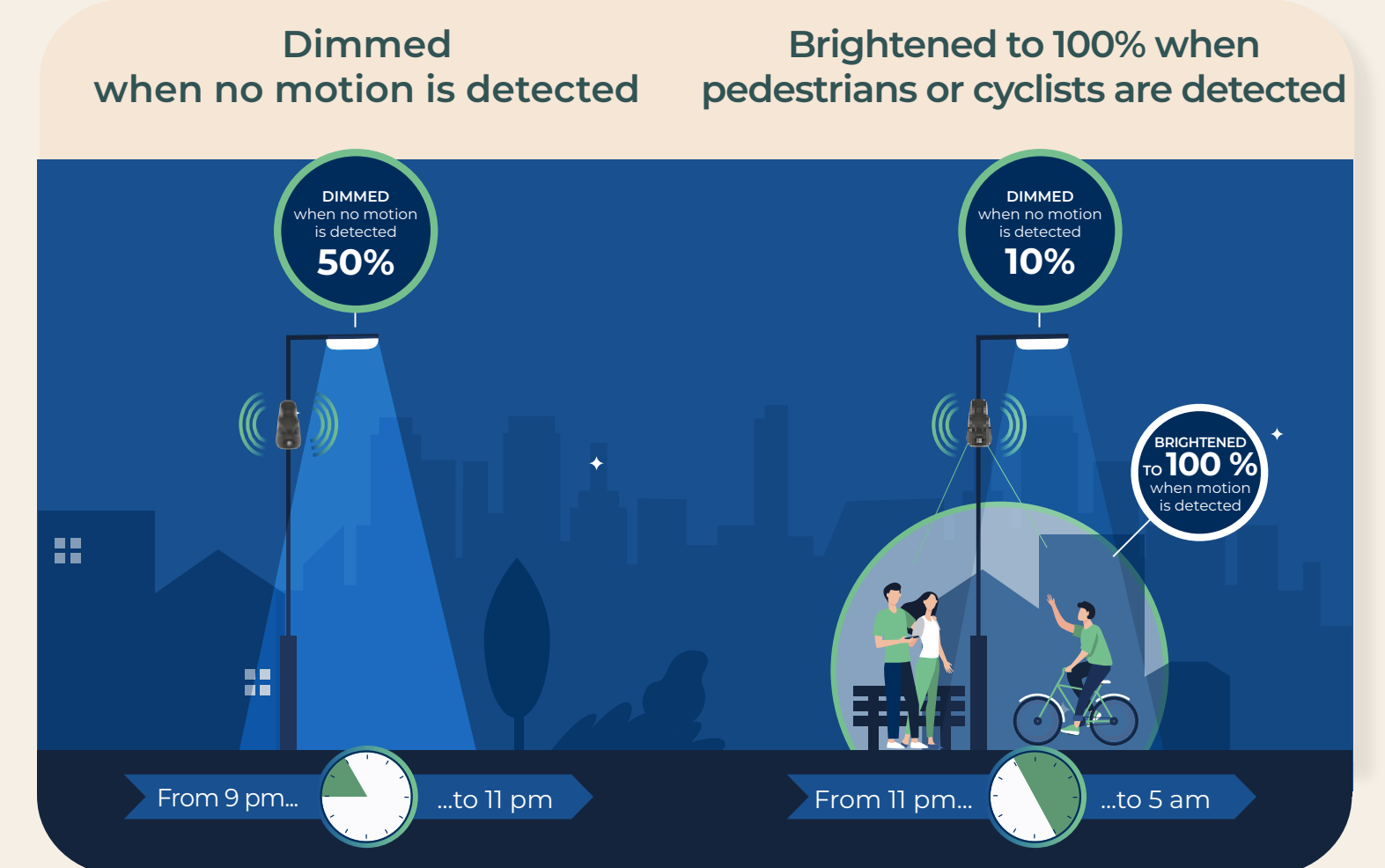
the *environmental benefits* of smart street lighting

The first use case we studied was the **Trame Sombre project in the town of Douai** in northern France. In 2021, the town launched a major project to renovate its public lighting system with **Tegis and SensyCity solutions by LACROIX**, which automatically **dim street lights** at night and brighten them to 100% when cyclists or pedestrians are detected.

Taking as our baseline scenario a fleet of street lights equipped with LED bulbs with no automated sensors, we measured the **greenhouse gas (GHG) emissions and energy saved** by motion detection solutions, including all stages of their **life cycle**: Production & distribution, Installation, Use, Care & maintenance, End of life.



1350 MWh
saved (-43%)
(NET IMPACT over 15 years)



Medium-term projects

Exploring less linear economic models, such as **the circular economy and the functionality economy**. By 2025, we aim to launch pilot projects with some of our sustainability-minded partners, customers and suppliers.

COMMITMENT 2: DESIGN ECO-EFFICIENT SOLUTIONS

In 2023, we manufactured around 97 million products, which required almost 15,800 tonnes of raw materials (electronic components, printed circuits, metal, plastic, etc.) and around 34 GWh of energy.



the main challenges of *eco-design*:



Service life



Weight reduction



Durability



Lower energy
consumption

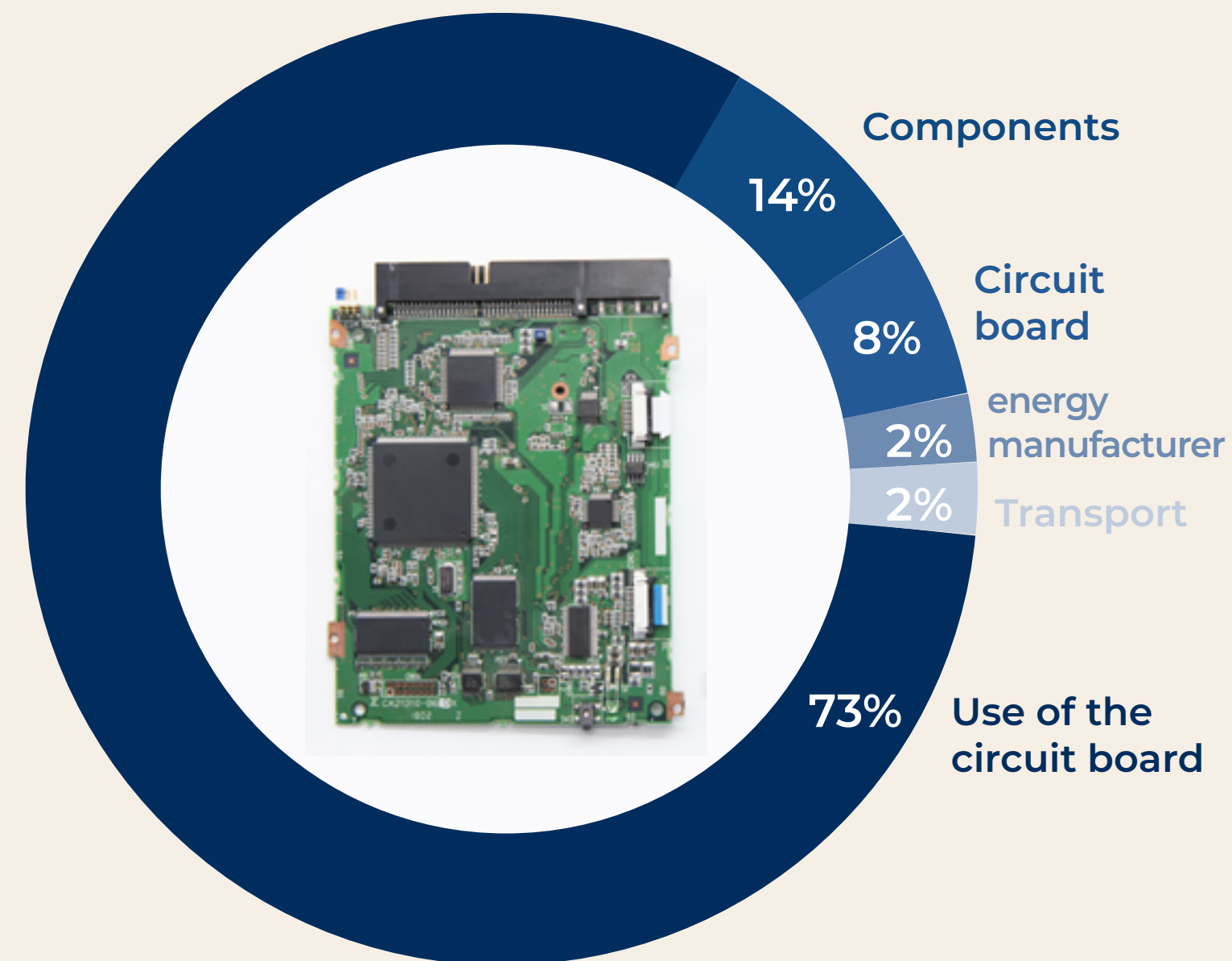


Recycled or bio-
based materials



Elimination
of hazardous
materials

Average carbon footprint of a circuit board Made in France



Life Cycle Assessments (LCA)

We carry out an LCA for all new products in our Environment business.

By measuring the environmental footprint of a product over **its entire life cycle** (production, use, end of life), LCA enables us to identify the elements / stages of the life cycle where we should **focus our eco-design efforts**.

For our Electronics business, we want to be able to provide our customers with the **Product Carbon Footprint** (PCF) of the circuit boards we manufacture.

COMMITMENT 2: DESIGN ECO-EFFICIENT SOLUTIONS

Eco-design is a key priority for LACROIX, and we are currently building a systematic and rigorous policy to ensure that **100% of new products will be eco-designed by 2025**. Our ambition is to **lead in eco-design across our markets by 2030**.

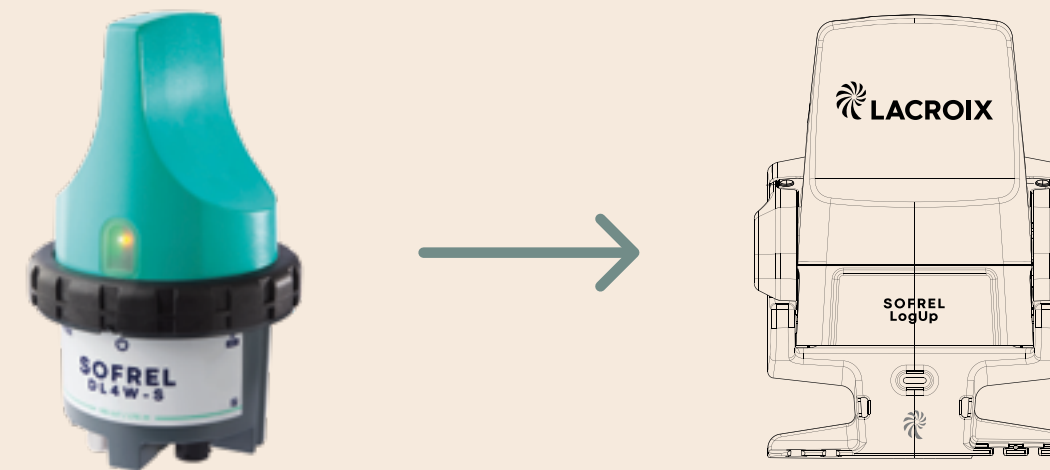
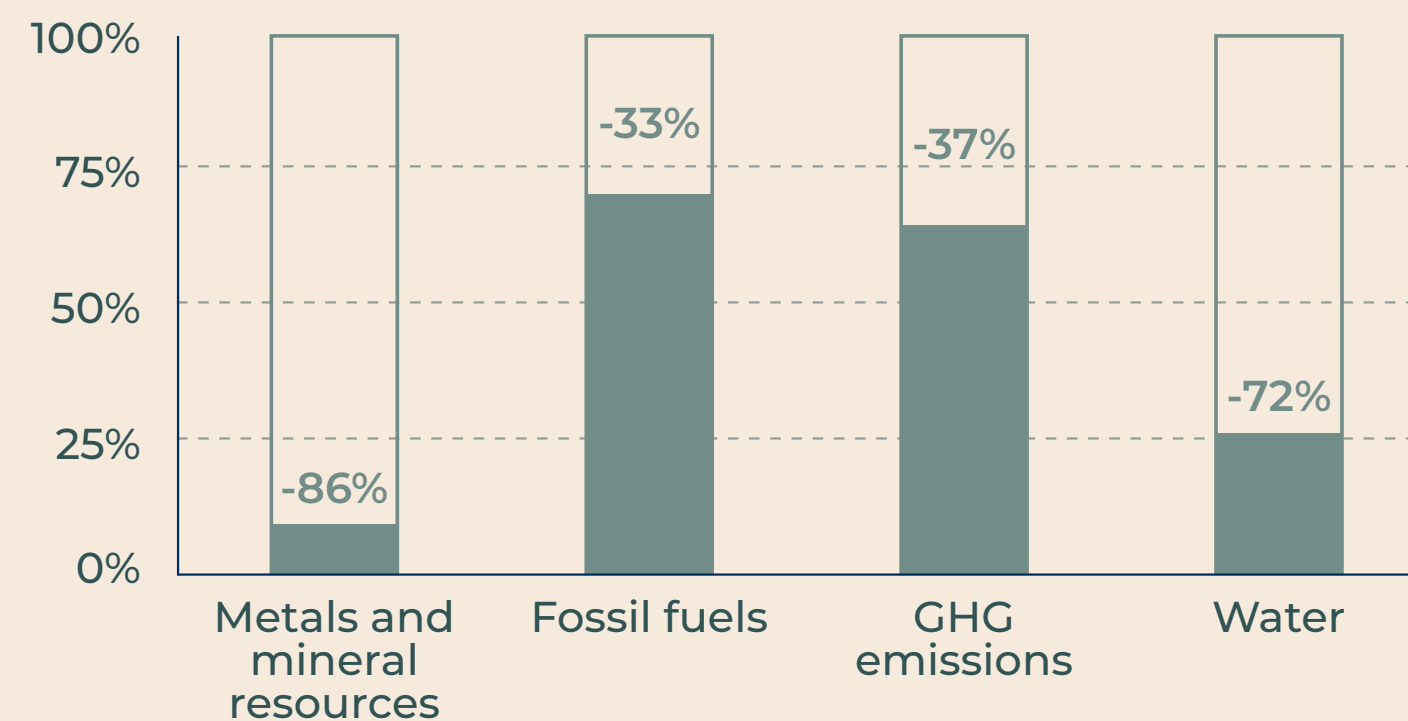
FOCUS ON...

The *eco-design* of SOFREL LogUp

LogUp is the flagship product of our SOFREL BU for **water leak detection**, scheduled for release in 2024.

Following the **LCA carried out at the start of the development process**, we succeeded in reducing the size and weight of the product, in particular by consolidating 3 circuit boards into just one.

In the end, LogUp's **environmental footprint was 23% to 86% lower** depending on the indicators, compared with the previous version.



Medium-term projects

- In 2025, when our eco-design processes and tools have been fully rolled out, we will set a **performance target** for 2030.
- To be able to offer **bio-based circuit boards** to our customers by 2030

COMMITMENT 3: RUN SUSTAINABLE OPERATIONS

While the first two commitments of our positive impact strategy focus on our products, aiming to maximise their positive impact and minimise their footprint, the third concerns our sites and operations, including our purchasing.

Our plants are assembly sites.

The **main environmental issues** directly related to our activities are:

- energy consumption
- Greenhouse gas (GHG) emissions
- waste, mainly packaging.

Reducing our carbon footprint

This is the challenge of the century and we want to help meet it.

- In March 2023 we signed an agreement with the **Science Based Targets Initiative** whereby we committed to setting **targets for reducing our GHG emissions** in line with the Paris Agreement.
- To quantify these targets, which we will commit to over the next ten years, we are in the process of building our **low-carbon trajectory** as part of the **ACT Pas à Pas** program, in partnership with ADEME.

Every year, we report on our carbon performance to the **CDP** (score 2023 = C - Awareness)

FOCUS ON...

our *carbon footprint*

In 2023, LACROIX's carbon footprint amounted to:



3.57M tCO2e

The biggest source of GHG emissions is the energy consumed by our products throughout their life cycle (78%).

FOCUS ON...

Symbiose, our High Environmental Quality plant



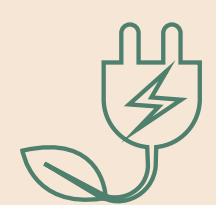
10,000m²
of photovoltaic panels



÷2.5
GHG emissions



100 m³
of rainwater harvested per
year



100%
LED lighting

COMMITMENT 3: RUN SUSTAINABLE OPERATIONS

Reduce our other environmental impacts

Our Group has 19 sites, including **14 manufacturing sites** and almost 100,000 m2 of buildings.

In 2023, we consumed **34 gWh of energy** and produced more than **2,300 tonnes of waste**.

To minimise these impacts, we are in the process of carrying out a comprehensive **environmental audit of all our manufacturing sites**, focusing on energy, water, waste and raw materials. Based on the audit, each site will set its own reduction targets.

By 2030, we are aiming for a **30% reduction in the amount of waste** generated per € of revenue.

Responsible purchasing

As we have seen, the primary environmental and social issues associated with our operations are located in **our upstream value chain**, specifically, within our supplier network.

In 2023 we purchased:

2,850 tonnes
of circuit boards

2,550 tonnes
of electronic components

2,300 tonnes
of metal

900 tonnes
of plastic

As with eco-design, we are in the process of building our **responsible purchasing policy**. Our first objective is to ensure that our strategic suppliers, comprising 75% of our purchasing volume—approximately 300 suppliers—are subject to **CSR assessments by 2025**.

In October 2024, we are hosting our first **Supplier Day focusing entirely on CSR issues**. During this event, we will share our ambitions and outline our expectations for suppliers in the years ahead.

FOCUS ON...

the key priorities of Responsible Purchasing

Environment:

- Sourcing eco-designed solutions
- Decarbonisation and environmental footprint of our suppliers
- Packaging
- Optimising logistics

Social:

- Hazardous materials and conflict minerals
- Human rights, working conditions and inclusivity in our supply chain
- Ethics and corruption

Economic:

- Fair and sustainable relations with our suppliers



Medium-term projects

- Gradually increase our **CSR requirements** for our suppliers through 2030, with a specific focus on decarbonisation
- Supply all our sites with **renewable energy** by 2030



COMMITMENT 4: COMMIT TO OUR PEOPLE AND ACT LOCALLY

The fourth commitment of our positive impact strategy concerns our support for people who work at LACROIX, as well as for the local communities where we operate. We are a family business, committed to the values of respect, team spirit, inclusivity, community and courage. With 5,098 employees in 13 countries and 4 continents as of 31 December 2023, our teams are cosmopolitan and highly diverse.



Gender diversity in management

LACROIX employs 53% women worldwide, yet only 26% of our managers are women.

We are committed to enhancing female representation in technical and management roles through an internal program called "Women at LACROIX." The initiative is supported by a number of partnerships: Elles Bougent, StOpE, IndustriElles.

Our **goal for 2030** is to reach **40% female managers**.

Making LACROIX a great place to work

LACROIX employees, wherever they are, must be able to work in a healthy, caring and stimulating environment.

To assess and improve the quality of work life at all our sites, we have chosen **Great Place To Work, the global certification on workplace culture** that covers all HR issues: respect, equity, compensation, individual career paths, training, diversity, etc.

To gauge our employees' expectations, engagement and relationship with work and the company, we encourage all our employees to take the satisfaction survey developed by Great Place to Work (GPTW), the global authority on workplace culture.

In 2023, 83% of employees took part in the Great Place to Work survey, and 28% of our sites were awarded the certification, i.e. 5 sites out of 18.

Our **goal for 2030**: **100%** of LACROIX sites **certified GPTW**.

**Great
Place
To
Work®**



Key figures for 2023:



1,355
new hires



€734K
devoted to training
(+13% vs 2020)



-13%
reduction in the frequency
of workplace accidents
compared to 2021



-47%
reduction in the severity
of workplace accidents
compared to 2021

COMMITMENT 4: COMMIT TO OUR PEOPLE AND ACT LOCALLY



Site Engagé Initiative [Committed Site]:
making the Group's positive impact strategy a reality at our sites

LACROIX's positive impact strategy defines the Group's main sustainable development guidelines. To ensure that environmental and social issues are also taken into account **on a daily basis at our sites**, in 2023, we launched the *Site Engagé* initiative.

At each site, a team of volunteer employees, supported by the HR, QSE and Procurement departments, suggests and implements actions to improve site performance on key issues (see list opposite).

FOCUS ON...

the themes of our *Site Engagé Initiative*



Energy, water, waste



Consumables & cleaning



Sustainable food



Sustainable mobility



Working comfort, health & sports



Cohesion & celebration



Biodiversity & garden



Raising awareness about the ecological transition



Support for local communities & inclusion



Medium-term projects



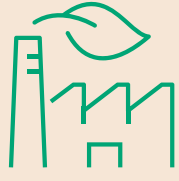

- Train the **Top 130** and then the **entire management line** on the importance of the ecological transition
- Include **CSR criteria in the compensation** of the Group's key executives



OUR PERFORMANCE

2023 FIGURES AND
EXTRA-FINANCIAL PERFORMANCE

2023 RESULTS

	Impact indicators	2022	2023*	2030 Objective
 GROW POSITIVE IMPACT BUSINESS	Share of impact products in revenue	61%	64%	80%
 DESIGN ECO-EFFICIENT SOLUTIONS	Share of new LACROIX products eco-designed	25%	41%	100% by 2025
 RUN SUSTAINABLE OPERATIONS	GHG emissions scopes 1&2	14.9 KtCO2e (2021)	13.5 KtCO2e	-42% vs 2021
	GHG emissions scope 3	3.46 MtCO2e (2021)	3.56 MtCO2e	In the process of being defined and validated by SBTi
	Waste generated per €K of revenue	2.8 kg	2.7 kg	-30% vs 2022
	Share of purchasing spend covered by a CSR assessment	In progress	In progress	75% by 2025
 COMMIT TO OUR PEOPLE AND ACT LOCALLY	LACROIX sites Great Place to Work certified	33% (at 3 pilot sites)	28%	100%
	Women among managers	26%	26%	40%

* without the Road Sign BU, sold in April 2024

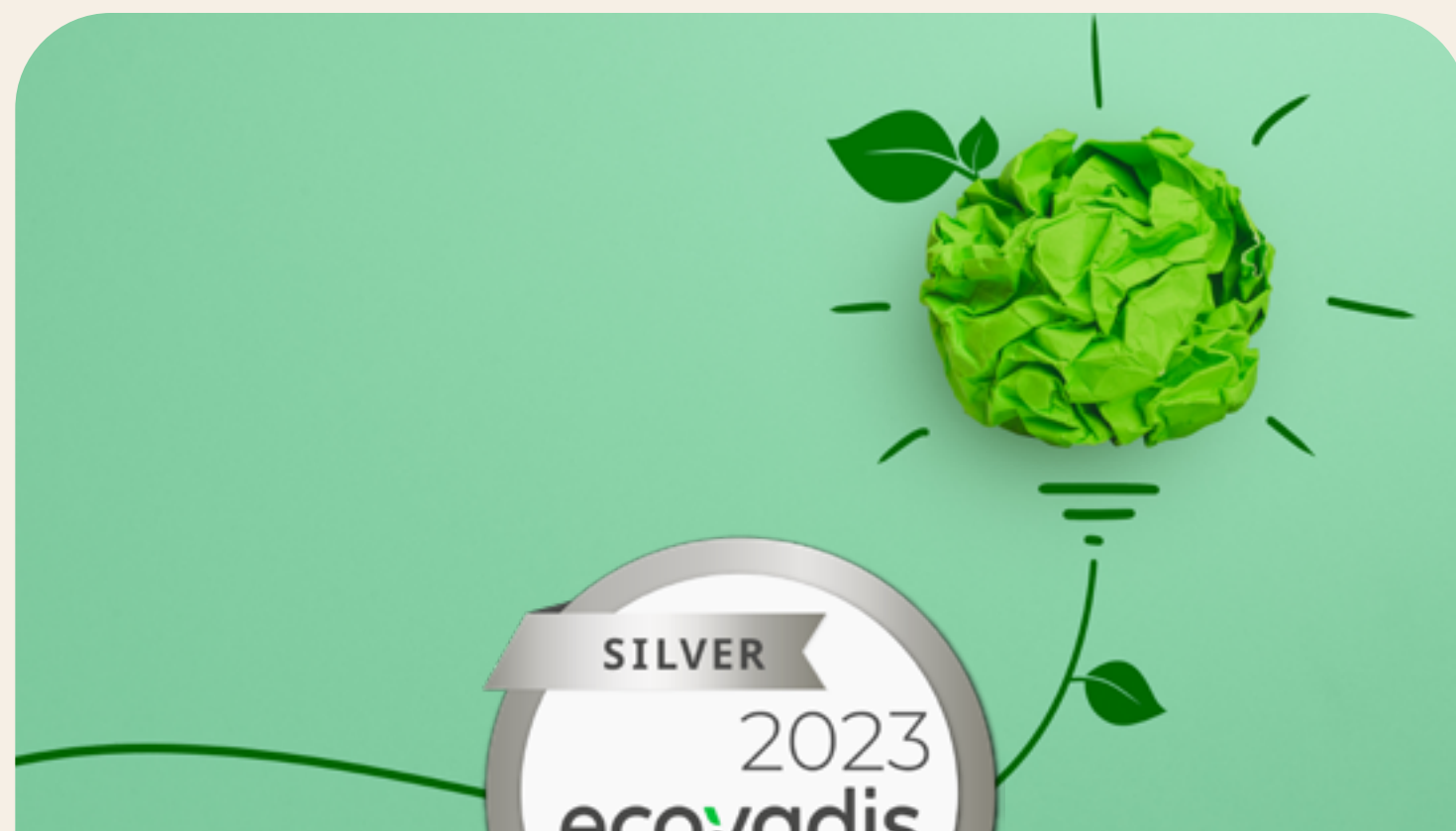
2023 RESULTS

We also report to the main extra-financial rating agencies, earning ratings that reflect the improvement in our performance year after year.



63/100

compared to
61/100 in 2022



61/100

compared to
53/100 in 2022



C

Awareness

CONNECTED
TECHNOLOGIES
FOR A **SMARTER
WORLD**



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