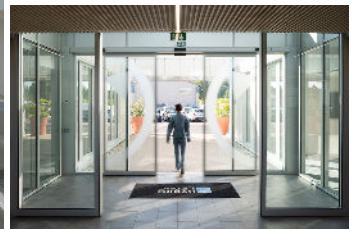
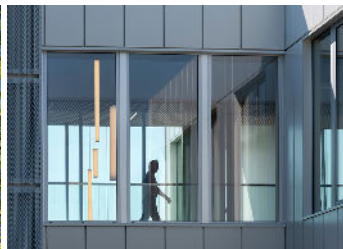




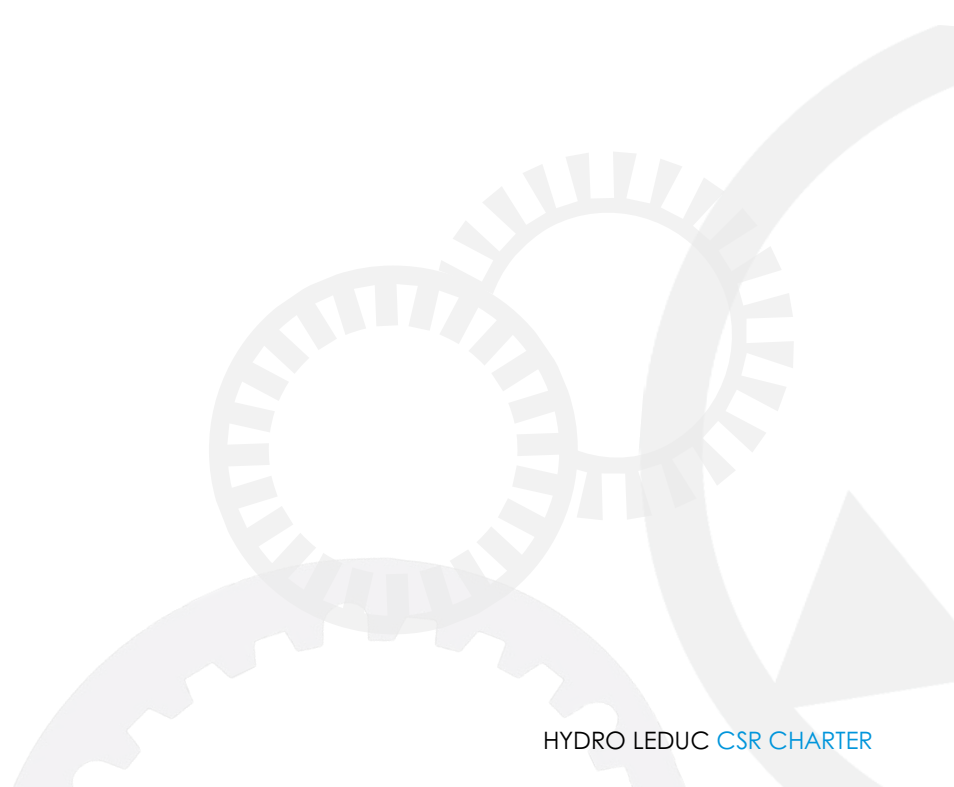
# CSR CHARTER


## HYDRO LEDUC



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This CSR charter formalizes our commitments and serves as a guide for all our activities and stakeholders.

Hydro Leduc is convinced that its future success will rely on its commitment to Corporate Social Responsibility (CSR).

Therefore, we are dedicated to integrating social, environmental, and economic considerations into our business decisions to positively contribute to society and the environment.

François POREL  
Philippe POREL  
Jérémy DEROME





# OUR CSR POLICY

## 1 | Definition

Corporate Social Responsibility (CSR) is defined as the voluntary integration by companies of social, environmental, and economic concerns into their business activities and interactions with stakeholders. CSR goes beyond mere legal compliance and aims to create shared value for both the company and society.

It is based on seven fundamental principles: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for human rights, respect for international standards of behavior, and respect for the environment.

By adopting a CSR approach, companies strive to balance economic, social, and environmental dimensions while contributing to sustainable development.

## 2 | Environmental commitments

### Reducing the carbon footprint

We are committed to reducing our carbon footprint by improving the energy efficiency of our operations, promoting the use of renewable energy, and minimizing waste.

We also pledge to maintain our ISO 14001 certification and to reduce our significant environmental aspects and impacts to ensure a rigorous and effective environmental protection management system.

### Resource management

We are committed to responsibly managing natural resources such as:

- Water, by implementing actions that will reduce water consumption.
- Raw materials, by adopting sustainable and innovative practices.

This is achieved by establishing processes aimed at minimizing the environmental impact of our activities.

### Evaluation and continuous improvement

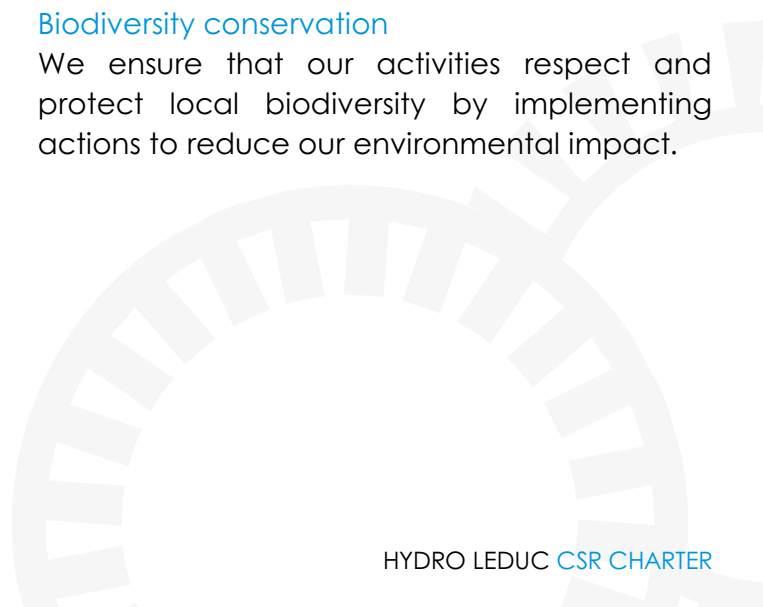
We regularly assess our environmental performance through indicators, reporting, and internal and external audits.

We also participate in evaluations by organizations like EcoVadis to continuously measure and improve our environmental, social, and ethical impact.

Finally, we commission diagnostics such as "Decarbon'actions" to address climate context.

### Biodiversity conservation

We ensure that our activities respect and protect local biodiversity by implementing actions to reduce our environmental impact.



### 3 | Social commitments

#### Working conditions and employee well-being

We ensure safe and healthy working conditions for our employees by conducting frequent health and safety risk assessments and providing adequate personal protective equipment.

All our employees benefit from regularly enhanced health coverage (mutual insurance and provident fund), as well as participation and profit-sharing based on the company's results.

We also offer a collective retirement savings plan, vacation bonuses, and discounts provided by our Works Council (CSE) for employees.

We encourage the professional development of our employees by offering appropriate career advancement and training opportunities, while promoting a balance between professional and personal life.

#### Equality, diversity, and inclusion

We promote diversity and inclusion by ensuring equal opportunities for all, without discrimination based on gender, age, origin, religion, or disability.

#### Social dialogue

We establish a structured social dialogue through our elected employee representatives and collective bargaining.

We maintain an open and constructive dialogue with our employees and their representatives to foster collaboration and resolve conflicts fairly.

Regular meetings are held (Works council: one monthly meeting; Health, Safety, and Working Conditions Committee: four meetings per year).

### 4 | Economic commitments

#### Transparency and business ethics

Hydro Leduc's practices are governed by integrity, honesty, loyalty, and respect for all applicable legal provisions. The principles of business conduct prescribe the values to which Hydro Leduc is committed.

This code aims to present the professional conduct standards within the company and facilitate their implementation by establishing a series of non-negotiable minimum rules in key areas. (See Hydro Leduc's Ethical Charter)

- Respect for laws: We comply with all applicable laws and regulations as well as internal company rules.
- Fraud: We act transparently and condemn any illegal actions taken to gain an advantage.
- Conflicts of interest: We strive to prevent situations where a person must choose between their duties and their private interests.
- Respect for others: We place the highest importance on tolerance and respect for others.
- Fair competition: We adhere to competition law and scrupulously respect European competition law, Articles 101 and 102 (TFEU).
- Anti-corruption: We prohibit both active and passive corruption and act with integrity.
- Use of information: We ensure the confidentiality and security of data in accordance with the European Regulation, GDPR.

This principle also encompasses the prevention and sanctioning of harassment situations, the promotion of diversity, and the fight against all forms of discrimination.

### Quality and innovation

We strive to provide high-quality products and services while investing in research and development for continuous innovation.

In this regard, Hydro Leduc has consistently advanced its technology by:

- Filing over 200 patents since the 1990s, significantly improving the performance and efficiency of its products and providing users with more energy-efficient components.
- Establishing EL MOTION in 2024, dedicated to electrification solutions for our industries.

### Responsible partnerships

We prioritize relationships with suppliers and partners who share our values and commitments regarding CSR.

We favor local suppliers to encourage regional economic development and promote short supply chains.

We collaborate with them to enhance sustainable practices and strengthen the resilience of our supply chain.

In this spirit, Hydro Leduc expects all its suppliers to respect the fundamental principles of human rights and to eliminate child labor.

### Customer satisfaction

Customer satisfaction is at the heart of our strategy. We are committed to understanding and meeting the needs and expectations of our clients by providing superior products and services.

We strive to maintain transparent and ongoing communication with our customers to ensure their satisfaction and long-term loyalty.

We regularly gather their feedback to continuously improve our offerings and guarantee an optimal customer experience.

### 5 | Cyber commitments

In an increasingly digital world, cybersecurity is a crucial aspect of our economic and ethical commitments.

We recognize the importance of protecting the data of our customers, employees, and partners from all forms of cyber threats.

Hydro Leduc implements robust security systems, conducts regular cybersecurity audits, and trains its employees on best practices in information security. We are committed to adhering to international data protection standards and to responding swiftly to any security breach attempts.

## 6 | Community commitments

### Local engagement

We are committed to respecting the land rights of local populations. We support local initiatives and contribute to the development of the communities where we operate, notably through sponsorship and volunteer work.

### Education and awareness

We invest in education and awareness programs to promote good environmental and social practices among our employees, clients, and partners.

### Stakeholder involvement

We are committed to engaging in dialogue with all our stakeholders, including customers, suppliers, local communities, and shareholders, to better understand their expectations and proactively address them.

## CONCLUSION

This CSR charter is a fundamental pillar of our business strategy at Hydro Leduc.

We are committed to continuing our efforts to be a responsible and sustainable company, positively contributing to society and the environment. We invite all our stakeholders to join us in this endeavor to build a better future together.

Hydro Leduc is dedicated to regularly reviewing this charter to ensure it remains relevant and aligned with international best practices in CSR.

François POREL  
Philippe POREL  
Jérémy DEROME

Last Name:  
First Name:  
Company:

Done on:  
(date + signature)

# 2

## ACTION PLAN: “PROFITABLE CSR”

To achieve the objectives set forth in our CSR charter, Hydro Leduc has established a detailed action plan that includes concrete initiatives in several key areas. This action plan was initiated in 2019.

### Assessment

Since 2019, Hydro Leduc has conducted a comprehensive study of its environmental impact in collaboration with AKTIO and BPI France through the "Decarbon'actions" program. The results of this study enable us to set targets for reducing our CO<sub>2</sub> footprint.

Currently, Hydro Leduc's overall operations generate 36,633 tons of CO<sub>2</sub> annually. Given the nature of our industry, which is significantly impacted by "inputs" (supply chain, transportation, and purchasing), this figure aligns with the average emissions in the industrial sector.

This assessment allows us to establish an ambitious action plan aimed at reducing this footprint.

### OBJECTIVE 1 | The environment

#### Reduction of CO<sub>2</sub> Emissions

Implement technologies and practices to reduce our carbon footprint by 20% by 2026.

- Energy supplier choices: Hydro Leduc has selected EDF and ENGIE as our electricity and gas suppliers. EDF provides the most decarbonized electricity available today. For gas (primarily used for heating), we are implementing actions to gradually reduce our dependence.
- Sourcing practices: Focus on using recycled materials and local sourcing for supplied goods.
- Transportation initiatives: Prioritize more sustainable transport options, such as rail, and eliminate air transport where possible.
- Energy consumption Reduction: Lower electricity and gas consumption through efficient practices.
- Building optimization: Enhance the energy efficiency of our facilities.
- Promotion of carpooling: Encourage internal carpooling among employees.
- Virtual meetings: Prefer virtual meetings via platforms like Teams.
- Vehicle fleet conversion: Transition our vehicle fleet to electric or hybrid options where feasible.



### Energy efficiency

Install energy management systems to optimize consumption and reduce energy waste.

- For over five years, all our workshops and administrative areas have been monitored for energy use through the E-WATTCH software. This monitoring has resulted in significant CO<sub>2</sub> savings.
- Convert all lighting to LED.
- Systematic shutdown of machines when not in use.
- Systematic shutdown of desktop computers during closure periods.
- Recover waste heat and reinject it to heat our facilities.
- Recover heat produced by compressors for space heating.

### Waste management

Raise awareness among our staff about waste sorting to enhance recycling efforts.

- Implement a policy to reduce packaging waste with our suppliers and internally for client shipments, complemented by recycling programs and waste reduction initiatives across all our facilities.

### OBJECTIVE 2 | Social aspects

- Training and development: Provide ongoing training programs for the professional development of our employees.
- Workplace well-being: Implement well-being initiatives, including health and safety programs.
- Diversity and inclusion: Increase diversity within our teams by actively recruiting from underrepresented groups.

### OBJECTIVE 3 | Economic aspects

- Sustainable innovation: Invest in research and development to create more sustainable and environmentally friendly products.
- Local partnerships: Collaborate with local suppliers to support the regional economy and reduce our carbon footprint.
- Customer satisfaction: Implement feedback mechanisms to continually improve our products and services based on customer needs.

### OBJECTIVE 4 | Our community commitments

- Community projects: Support local initiatives through donations, volunteering, and partnerships.
- Education and awareness: Organize workshops and seminars to raise community awareness about sustainable practices.
- Transparency and communication: Publish annual reports on our CSR progress and maintain open dialogue with all stakeholders.



HYDRO LEDUC  
SAS AU CAPITAL DE 4 065 000 €  
EORI FR31902742100019  
RC NANCY B 319 027 421  
[contact@hydroeduc.com](mailto:contact@hydroeduc.com)  
[hydroeduc.com](http://hydroeduc.com)