

Universal
Registration
Document
2024



A key player in a
sustainable
industry

lisi

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

Contents

1	Integrated report	2	4	4	Sustainability report	144
	LISI, a key player in a sustainable industry	4		1	GOVERNANCE AND STRATEGY - General information (ESRS 2)	148
	Editorial	6		2	PLANET - Environmental information (ESRS E)	182
	PROFILE - Shape and Share Sunstainable Links	8		3	PEOPLE - Social information (ESRS S)	218
	OUTLOOK - Sparking the momentum and setting the targets	20		4	PROFIT - Information Relating to the Conduct of Business (ESRS G)	259
	GOVERNANCE - Setting the direction for our actions	46		5	Key indicators of PEOPLE, PLANET, PROFIT	275
				6	Appendices	280
				7	Sustainability auditor’s report	291
2	Consolidated financial statements	56		5	Risk factors	294
1	Information concerning the LISI Group	59		1	Financial risk matrix: principal major risks identified and reduction measures	297
2	Consolidated financial statements	70		2	Insurance policy	302
3	Notes to the financial statements	75		3	The Internal Control and Compliance environment	302
4	Statutory Auditors’ reports	116				
3	Separate financial statements	120		6	Corporate governance	306
1	Income statement at 12/31/2024	123		1	Activities of the Board of Directors and of the Committees in 2024	309
2	Balance sheet at 12/31/2024	124		2	The administrative bodies	312
3	Cash flow statement at 12/31/2024	125				
4	Change in shareholders’ equity at 12/31/2024	125		7	General information regarding the Company	330
5	Notes to the separate financial statements	126		1	Information about the issuer and the Company’s share capital	333
6	LISI S.A.’s financial results over the last five fiscal years	137		2	General Meeting	341
7	Supplier and customer terms of payment	138		3	Special report of the Statutory Auditors on the agreements	345
8	Statutory Auditors’ Report on the annual financial statements – Fiscal year ended December 31, 2024	139				
				8	Other informations	346
				1	Information policy	349



1

Integrated report

LISI, a key player in a sustainable industry	4
Editorial	6
PROFILE – Shape and Share Sustainable Links	8
LISI Group	10
LISI AEROSPACE	12
LISI AUTOMOTIVE	14
LISI MEDICAL	16
2024 Highlights	18
OUTLOOK – Sparking the momentum and setting the targets	20
2024 Strategy	22
LISI's CSR strategy rewarded in 2024	24
Our business model	26
3P: People, Planet, Profit	28
Innovation: envisioning the future	38
Excellence: giving purpose to achievement	42
GOVERNANCE – Setting the direction for our actions	46
A code of conduct to guide individual actions	48
A charter to promote and regulate the use of AI	49
Operational management	50
The Board of Directors	52
The Committees	54



LISI, a key player in a *sustainable* industry

Founded in 1777, the history of the LISI Group is deeply rooted in the legacy of the families who established it. From the beginning, they shared a far-reaching vision and a common ambition: to achieve excellence through an innovative, competitive, sustainable, and global industry.

Today, the LISI Group consists of three divisions, 42 production sites, and over 10,000 employees worldwide. Each employee brings unique expertise derived from a shared industrial heritage and individually contributes to the Group's purpose: **Shape and Share Sustainable Links.**

Through its products and values, by continuously pushing the boundaries of excellence and innovation, LISI's employees are ambassadors for the industry of tomorrow.

The LISI Group maintains a family-oriented spirit that prioritizes long-term vision. Its mission is to ensure the growth of its divisions while preserving their unique identities and providing each with the freedom to thrive. The Group also offers all necessary resources to support the development of their product lines.

The Group's vision is built on a CSR (Corporate Social Responsibility) approach known as **"3P" — People, Planet, Profit** — which places sustainability at the core of its strategy. This vision is further supported by a foundation of shared values that underpin the performance and excellence of its divisions.

“ Each employee brings unique expertise derived from a shared industrial heritage and individually contributes to the Group's purpose: *Shape and Share Sustainable Links.*”



Key Figures

€1.79_{Bn}

SALES REVENUE

€115_M

EBIT

€57.7_M

FREE CASH-FLOW (*)

€100.4_M

INDUSTRIAL CAPEX

€27.9_M

R&D EXPENSES

10,262

EMPLOYEES

42

PRODUCTION SITES

13

COUNTRIES

(*) Net operating cash flow minus net capex and changes in working capital requirements.

“ Now that our targets were confirmed in 2024, we’re unlocking some really exciting opportunities for the LISI Group’s long-term growth.”



Editorial

Jean-Philippe Kohler

LISI Chairman

Emmanuel Viellard

LISI CEO

The LISI Group's industrial journey *is on a roll!*

2024 was a year of contrasts that allowed the LISI Group to confirm and strengthen its long-term positions with strategic clients across its three divisions. It was a year that enabled us to prepare for the future with confidence while achieving our objectives of revenue growth, improving financial indicators, and consolidating our financial position.

Our efforts are focused on the two pillars of our long-term strategy: innovation and operational excellence. The ultimate goal provides us with a real differentiation recognized by our clients.

This progress is driven by all the Group's teams — more than 10,000 men and women spread across 42 production sites, 3 research centers, and the headquarters in Grandvillars (in the Territoire of Belfort). Investments in training, retention efforts, and attractiveness (2,015 hires in 2024) are concrete expressions of our recognition of the importance of talent in the Group's success.

Long-term concerns cannot exist without an ambitious CSR policy. The historical responsibility that extends the legacy of the two founding families for over 250 years is at the heart of our purpose: **"Shape and Share Sustainable Links"** which revolves around the **3Ps** (People, Planet, Profit).

The confirmation of our ambitious goals in 2024 reinforces our ability to reach new milestones within our strategic horizon, provided that teams can meet the numerous challenges posed by demanding markets and an unpredictable environment.

The trust of our stakeholders encourages us to continuously strive for excellence in all areas.

The LISI Group's industrial journey is on a roll!

Profile

- 10 LISI Group,
Industrial excellence and innovation,
pillars of sustainable development
- 12 LISI AEROSPACE
- 14 LISI AUTOMOTIVE
- 16 LISI MEDICAL
- 18 2024 Highlights

Shape and Share *Sustainable Links*



LISI Group

Industrial excellence and innovation, pillars of sustainable development

With 250 years of history, the LISI Group leverages operational excellence and innovation to design and produce high-value-added assembly solutions and components for the aerospace, automotive, and medical industries. The Group is committed to supporting its clients worldwide in tackling challenges and building a sustainable

industry. Long before establishing its purpose — “**Shape and Share Sustainable Links**” — LISI places societal and environmental responsibility at the core of its strategy and collective approach. This commitment, shared by all employees, gives meaning to the Group's actions, defines the operational framework for achieving its objectives, and lays the foundation for its future development.



Three complementary activities, each with its own strong identity

LISI AEROSPACE

€1,030 M (+22.8% / 2023)

58% OF GROUP SALES

6,279 EMPLOYEES

19 SITES ACROSS 8 COUNTRIES

A part of the LISI Group for over 50 years, LISI AEROSPACE manufactures fasteners and structural assembly components for the world's leading aerospace companies. Through groundbreaking innovations, this division contributes to the development of safer aircraft capable of addressing future challenges in decarbonization.

LISI AUTOMOTIVE

€580 M (-5.0% / 2023)

32% OF GROUP SALES

3,076 EMPLOYEES

19 SITES ACROSS 8 COUNTRIES

At the core of the LISI Group's business since its inception, LISI AUTOMOTIVE produces high-value-added assembly solutions and components that enable the creation of safer, lighter, electrified, and connected vehicles. The division delivers exceptional excellence and plays a key role in transforming the automotive industry.

LISI MEDICAL

€185 M (+1.8% / 2023)

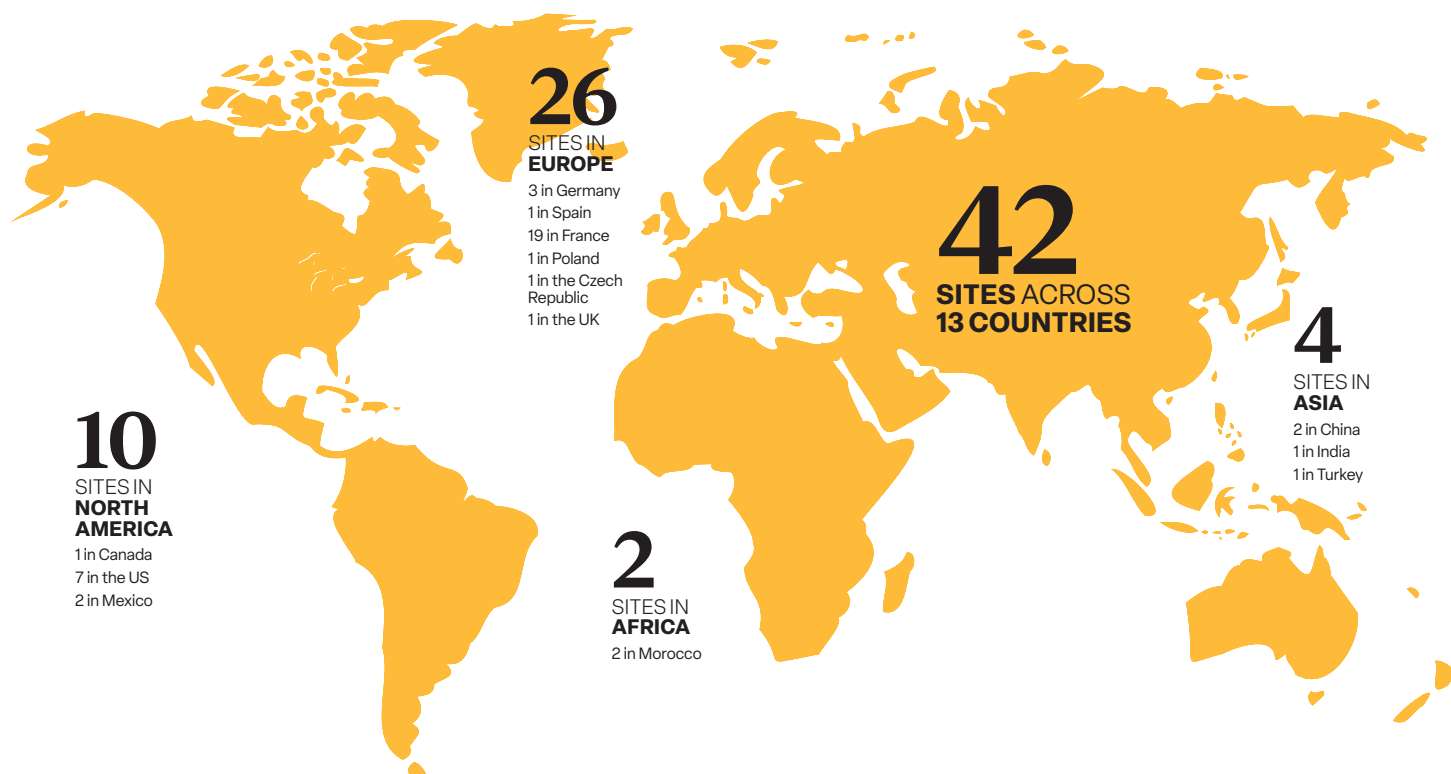
10% OF GROUP SALES

812 EMPLOYEESS

4 SITES ACROSS 2 COUNTRIES

A part of the LISI Group for nearly 20 years, LISI MEDICAL manufactures high-value-added medical implants and instruments for minimally invasive surgery. These cutting-edge products make surgeries safer and more accessible, contributing to better health for all.

Locations



Key Milestones

— A history of sustainable links

Founded in 1777 in Beaucourt by Frédéric Japy, LISI began as a small watchmaking workshop located in an industrial region. By integrating its expertise into working with steel wire, the Group established the foundation of its business model and initially expanded into the automotive sector, which would become one of its main drivers of growth.

In the 1960s, following the successful merger of family-owned companies that had been associated from the start, the company became France's leading manufacturer of screws and bolts for the automotive industry.

In 1977, the Group took a strategic turn by entering the aerospace sector and strengthening its expertise in producing increasingly complex fastening systems. This positioning, progressively reinforced, enabled LISI AEROSPACE to become one of

the top three global leaders in the industry, recognized for its technological mastery, production capabilities, and industrial performance. In the 2000s, to assert its international scope, the Group adopted the name LISI, marking a new phase in its global growth strategy.

Building on this momentum, LISI diversified its activities: first with the creation of LISI MEDICAL, specializing in reconstructive surgery and now a key player in producing minimally invasive surgical instruments. Diversification continued in the automotive sector with the acquisition of U.S.-based Termax in 2018. This acquisition enhanced the Group's expertise and innovation capacity in clipped fasteners for automobiles.

Today, LISI is firmly focused on the future, aiming to consolidate its leadership in global markets by relying on innovation and productivity optimization through operational excellence.

Profile

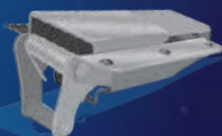
LISI AEROSPACE



• 1



• 2



• 3



• 4



• 5



• 6



- 1 • OPTIBLIND™
- 2 • High pressure hydraulic fitting
- 3 • Latch

- 4 • RIB fitting
- 5 • TYX
- 6 • O-ring



Interview
Emmanuel Neildez
CEO

“The recruitment plan we implemented to meet market growth *is now bearing fruit*”

■ How did the market perform in 2024?

It remains highly robust, with over 20% growth for the third consecutive year. Production and delivery volumes in the last quarter of 2024 exceeded those of 2019. The global aerospace sector continues to be extremely dynamic, and the order books of major manufacturers Airbus and Boeing provide excellent long-term visibility. Growth is expected to continue into 2025, particularly in segments such as military, helicopters, and business aviation, which are also experiencing strong rebounds.

While this expansion phase is encouraging, it remains challenging to manage. Following recent years of material supply tensions, which have now been resolved, the primary challenge is recruiting, training, and retaining a skilled workforce to meet this demand.

■ How do you address these challenges?

We tackle these challenges on several fronts. The first focuses on our ability to recruit and bring new employees up to the level of skill and expertise required to meet the standards of excellence and industrial efficiency expected by our clients. The hiring and upskilling plan we implemented after COVID is now bearing fruit, and the impact of these training programs is clearly visible, particularly in specialized areas. The second focus is the development of automation across our sites, a process we began in 2017. Many production lines now operate

autonomously, including during nights and weekends. These structural advancements have had a significant impact on roles within the company: operators performing repetitive and strenuous tasks are being replaced by technicians and engineers capable of analyzing data and managing automated, complex processes. This transformation, which we prioritize through internal training, is progressing positively and making our roles more attractive.

■ How are you progressing on issues related to decarbonization?

We are continuing the momentum of the strategy initiated in recent years, and progress has been very positive. These efforts are closely tied to our product and process innovations. The OPTIBLIND™ fastening system (see p. 40), which is perfectly suited to the architecture of future energy-efficient aircraft, is in its final qualification phase. Within two years, the first parts assembled with OPTIBLIND™ will be flying on aircraft — a decisive milestone for our teams. Additionally, the TYX process, which enables the production of structural parts that can replace components previously manufactured using high-power forging techniques, offers significant energy and material savings (see p. 39). These advancements, combined with the energy-saving and monitoring measures we are implementing in our factories, are helping us significantly reduce our industrial footprint.

We are also working closely with our material suppliers — since the production of our raw materials, particularly titanium, accounts for the largest share of our CO₂ emissions — to help them optimize their energy consumption and increase recycling rates. These efforts have a substantial impact on achieving our decarbonization goals.



LEARN MORE

LISI AUTOMOTIVE



- 1 • Cable channel
- 2 • Guide rods and electric parking brakes
- 3 • Sealing screws
- 4 • Standard automotive clip



Interview
François Liotard
CEO

“The shift toward vehicle electrification is inevitable, but the path to achieving it will be highly competitive”

■ What were the big wins in 2024?

2024 was a chaotic year for business: electric vehicle sales stalled in Europe and slowed down in China and North America. Our revenue, which was expected to grow, showed a slight contraction of -5%, while our overall market declined by approximately -7.5%. This slowdown impacted several programs that were supposed to launch in the first half of 2024 in Europe and North America, pushing some to the second half of the year and others to 2025.

The long-term trend remains unchanged: vehicle electrification is inevitable, but the path to achieving it could take longer and will be extremely demanding in terms of competitiveness. The rise of Chinese manufacturers, whose vehicles are now mature and aggressively priced, is disrupting industrial ecosystems in Europe and North America, forcing them to adapt.

■ How does the division adjust to this environment?

To support this shift, we will need to lower our breakeven point by optimizing the product mix, improving industrial efficiency through continued automation, digitization, and real-time performance management in our factories, and reducing and controlling fixed costs. The sale of Nomel, a LISI AUTOMOTIVE subsidiary specializing in cold-forged nut and washer manufacturing, in February 2025 is part of this plan and contributes to refocusing the product mix toward high-value-added products. Similarly, the Kairos project perfectly illustrates our efforts to

automate our sites. Launched 12 months ago, this program enabled the robotization of the parts packaging line at the Delle-2 logistics site (Territoire de Belfort). Operational since late December, it enhances productivity and improves working conditions for our teams.

■ How far along are you with your decarbonization efforts?

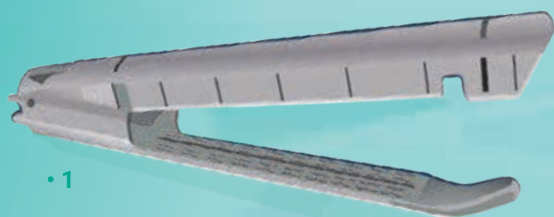
We are continuing to execute the plan established for the Group. LISI AUTOMOTIVE is inherently committed to this direction, as the entire automotive industry is converging toward zero-emission vehicles, whether battery-electric or fuel-cell-powered. Our teams are actively contributing to this transformation by developing products that help achieve these goals. For instance, our new multi-material assembly process, LISI-μ MACH ASSEMBLY PROCESS®, which made significant progress in 2024, enables localized metallization of components like busbars used to connect battery cells. Our sealing screws are now being mass-produced for battery assembly and cover fastening, and our new electric wiring fastening systems will enter mass production next year. In 2024, we also introduced highly innovative solutions combining our expertise for truck electrification. The first heavy-duty trucks were put into service at the very beginning of 2025. All these innovations are actively contributing to the decarbonization of the transportation sector.

We are continuing our efforts to optimize processes to conserve resources, utilizing renewable energy that we either produce ourselves or purchase from suppliers. We are actively working on water conservation, particularly in areas experiencing water stress, such as Mexico and certain regions of France. These efforts must go hand in hand with maintaining an extremely competitive offering.



LEARN MORE

LISI MEDICAL



- 1 • Stapler
- 2 • Hip prosthesis



Interview
Lionel Rivet
CEO

“The transformation of our sites into highly technological organizations, resembling Industry 4.0 factories, is reigniting young people’s interest in the industrial sector”

■ How did the markets perform in 2024?

LISI MEDICAL remains firmly positioned in its two major markets: on one side, orthopedics, which focuses on the manufacturing of implants and joint prostheses, and on the other, the market for minimally invasive surgical (MIS) instruments. For both businesses, 2024 was a year of stability following two years of strong growth. However, the balance between these two markets has shifted.

The MIS segment experienced a slight slowdown as clients, implementing their post-COVID strategies, opted to rebuild inventories for most programs where we were involved.

Conversely, orthopedics saw significant growth, driven particularly by the development of our primary client, who achieved the highest market growth this year thanks to innovations in surgical processes that provide a real advantage. This positive momentum has been especially beneficial for us and offsets the slowdown in MIS activity.

■ You’ve achieved excellent results in workplace safety. How do you explain this?

Two of our sites achieved excellent results in 2024, with more than 2,000 days without accidents at Neyron, in Ain, France, and nearly 800 days at Coon Rapids, Minnesota, in the United States. We launched a comprehensive safety plan, which included compliance analyses and corrective measures for all machine tools across the division to enhance employee safety.

Additionally, significant efforts have been made over the past two years to raise awareness among our teams on these issues — first focusing on technical aspects and then on human factors. In 2024, all of our employees received comprehensive HSE (Health, Safety, and Environment) training.

■ What progress are you making on environmental issues?

We have met the commitments we set for ourselves, achieving a 2% reduction in energy consumption in 2024 compared to the previous year. The actions implemented, primarily at our French sites in Neyron and Hérouville, in Calvados, are beginning to show results. Additionally, we have launched a plan to install solar panels at both Neyron and Hérouville. Our goal is to internally produce approximately 3% of our electricity consumption by 2030.

■ Do you also have ambitious goals for increasing female representation?

We have indeed focused heavily on employing more women, which is a key priority for us. Our goal is to eventually reach 30% women in management positions across the division. To achieve this, we are raising awareness among young people about technical careers that currently have low female representation. We are also exploring ways to improve the work environment, address motivations, and create development opportunities to attract female candidates to highly technical projects. The transformation of our sites into highly technological production organizations, with Industry 4.0-style processes, supports these efforts and is helping to reignite young people’s interest in the industrial sector.



LEARN MORE

Profile

“ LISI Talks 2024 is one of the highlights of the year, providing an opportunity to share the Group’s vision and key initiatives.”

Emmanuel Viellard, CEO, LISI

Together

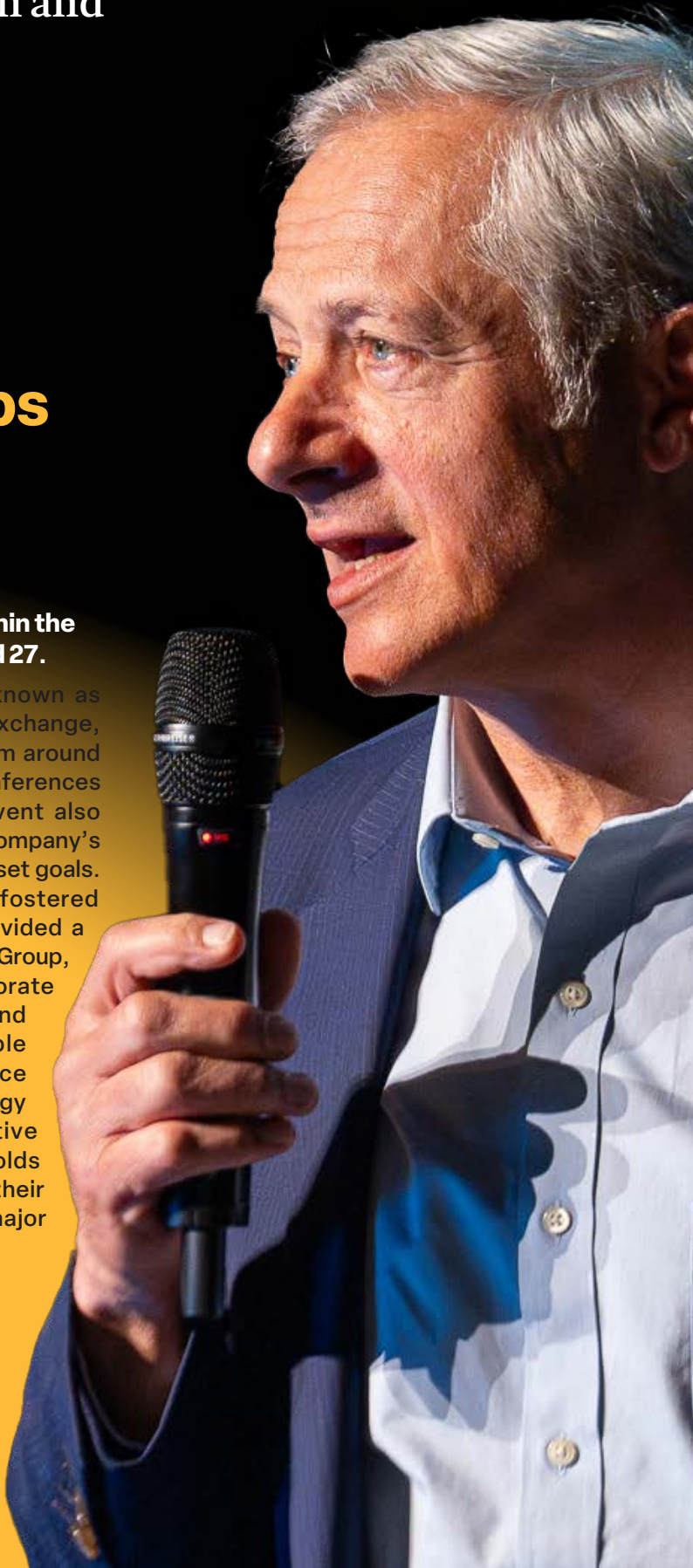
Connecting, and building relationships

LISI Talks 2024, the flagship event within the LISI Group, took place on March 26 and 27.

This must-attend event — previously known as LISI System — was a key moment for exchange, sharing, and reflection among teams from around the world. Attendees participated in conferences covering several major themes. The event also served as an opportunity to present the company’s strategic initiatives aimed at achieving its set goals. Over the course of these two days, it fostered connections among employees and provided a platform to share best practices within the Group, particularly in areas such as CSR (Corporate Social Responsibility), attractiveness, and industrial performance. Several notable speakers, including British neuroscience expert David Bovis, organizational strategy specialist Nicolas Rietsch, and cognitive scientist Clément Leroy — who also holds a record in bicycle balancing — shared their insights on the future of industry and major trends shaping the corporate world.



LEARN MORE



— LISI, Best Managed Companies 2024



The LISI Group has been awarded the Best Managed Companies label for the third consecutive year. Created by Deloitte over 30 years ago, this label recognizes companies for the quality of their management and performance based on several criteria: long-term strategy, talent management, innovation capacity, CSR policy, governance, and financial management. This year, only 19 French companies received this prestigious label. It highlights LISI's CSR approach, structured around the **3Ps — People, Planet, and Profit** — and reinforces the commitment of its teams to excellence and performance.

2024

Highlights

— The Group's sites are gearing up for growth

Three industrial site expansions were completed in 2024 to prepare the Group for growth phases across its three major markets. At LISI AEROSPACE, the Saint-Ouen-l'Aumône site (Val-d'Oise, France) finalized its third major expansion, adding approximately 43,000 sq ft (including 26,900 sq ft of production space and 16,100 sq ft of office space) dedicated to the manufacturing of hydraulic fittings. This third site expansion is accompanied by the hiring of 40 employees and aims to produce 14 to 20 million parts per month by 2030. For LISI AUTOMOTIVE, significant transformations were undertaken at the Termax facility in Lake Zurich, Illinois (USA). This site, specializing in metal, plastic, and metal-plastic clip solutions, underwent a complete factory redesign to align with the Group's highest industrial standards (see also p. 44). Lastly, at LISI MEDICAL, the expansion at Big Lake, Minnesota (USA), was completed. The 140,000 sq ft addition includes a highly technical facility driven by Industry 4.0 principles as a key strategy for talent retention and attraction. This development will enable the Group to support growth in the minimally invasive surgery instrument market (see also p. 45).



Outlook

- 22 2024 Strategy
- 24 LISI's CSR strategy rewarded in 2024
- 26 Business Model
- 28 3P: People, Planet, Profit
- 38 Innovation: envisioning tomorrow
- 42 Excellence: giving purpose to achievement

Sparkling the *momentum* and setting the targets

■ LISI is a cutting-edge industrial Group whose mission is to design and deliver high value-added assembly solutions and components for the aerospace, automotive, and medical sectors. To achieve this, we rely on a decentralized organizational model that prioritizes the preservation of expertise, growth through internal development, and a balanced network of locations. These values guide our strategy.



2024 Strategy

Expressed in our purpose, LISI's mission is to design and deliver high value-added assembly solutions and components for the aerospace, automotive, and medical sectors. The Group's long history gives us a unique responsibility: to pass on to future generations a company that is not only high-performing and innovative in addressing future challenges but also exemplary in its contribution to a more inclusive and sustainable society. In this spirit, we prioritize a long-term vision to shape excellence through an innovative, competitive, sustainable, and global industry.

Our four-pronged strategy

#1

Longevity

Capturing rapidly growing markets with agility and long-term commitment, while closely meeting our customers' demands. This approach is built on the five core values shared across the Group: looking beyond, communicating transparently, cultivating innovation, developing our know-how, and aiming always higher.



#2

Excellence

Strengthening our position as a leader by standing out through our performance with high value-added products. This pursuit of operational excellence is built on the LISI system, which forms the foundation of the Group's performance programs: E-HSE (health and safety), LEAP (productivity), and COS (management processes).

“We prioritize a long-term vision while positioning ourselves agilely in expanding markets. We focus our efforts on high value-added products, setting ourselves apart through *our operational excellence and innovations.*”

Emmanuel Viellard, CEO, LISI



LEARN MORE

#3 *Innovation*

Supporting our customers through our expertise and disruptive innovations in products and processes. Innovation is at the core of the LISI model. The Group's efforts focus on product innovation, the development of new processes, and digitalization (Industry 4.0 and Artificial Intelligence).



#4 *Sustainability*

Leading the way in sustainable development through our 3P approach—People, Planet, Profit—and our LISI system. This approach serves as a true roadmap with short- and medium-term objectives to shape our CSR strategy.

LISI's CSR strategy *rewarded in 2024*

■ In 2024, the LISI Group received a series of prestigious labels and awards recognizing the work of all its employees in achieving excellence and innovation, the two pillars on which the Group has built its development. These distinctions not only validate the Group's efforts but also support its initiatives to reach ambitious goals in decarbonization and CSR strategy.



Carbon Disclosure Project – A-rating

LISI earned an A-rating in the Carbon Disclosure Project (CDP) ranking. This ranking evaluates companies' transparency and performance in managing environmental impacts, particularly in areas such as climate, water, and deforestation. An A-rating places the company in the Leadership category, signifying strong performance in both transparency and environmental actions.



Best Managed Companies 2024

The LISI Group was awarded the Best Managed Companies label for the third consecutive year in 2024. This prestigious recognition, granted to only 19 French companies this year, highlights the Group's CSR approach, structured around the 3Ps—People, Planet, Profit—and reinforces the commitment of its teams to excellence and performance. (See also p. 19)



Future Of Finance Award 2024 – Ambition and CSR Categories

The Future of Finance Award is a prestigious recognition that honors companies and professionals for their innovative initiatives in transforming financial functions. Winners are selected based on their ability to rethink and optimize financial processes, contributing to the evolution and competitiveness of the sector. LISI won two awards in the Ambition and CSR categories.



EcoVadis Award Silver

The EcoVadis Award is a prestigious recognition given to companies that achieve top performance in Corporate Social Responsibility (CSR). Based on an evaluation covering environment, ethics, social practices, and responsible procurement, this award highlights organizations that are highly committed and exemplary in their sustainable practices. The Silver Medal earned by LISI means that the company is among the top 25% of businesses rated for CSR performance.



Choiseul Conquérants 2024 ranking

The LISI Group was selected for the second consecutive year to be part of the prestigious Choiseul *Conquérants* 2024 ranking. Listed among the "Spearheads of Strategic Autonomy" — a reflection of the Group's commitment to Industry 4.0 — LISI reaffirms its central role in the reindustrialization of France.



Our *business* model

OUR RESOURCES

Our Teams

- 10,262 committed and involved team members across 13 countries.
- A corporate university, LKI.

Our Know-How

- Nearly 200 experts within LISI's internal network.
- Around 40 members across all sites working on digitalization and AI.
- 36 patents filed in 2024⁽¹⁾.

Our Industry

- 42 production sites across 13 countries.
- Including 3 sites awarded the *Vitrine Industrie du Futur* label.
- A ratio of 407 robots per 10,000 employees.
- Over 10 partnerships with startups.

Our Responsibility

- ISO 14001 & ISO 45001: a certification policy for all our sites.
- LISI E-HSE internal excellence program and 14.3% of investments dedicated to HSE.
- Signatory of the Global Compact and the French Business & Climate Pledge.

Our Strong Financial Position

- €1,006 M in equity capital.
- Net financial debt down (€488.5 M, -€12.6 M compared to 2023).

(1) Filing of an invention through an e-Soleau envelope or initial patent application.

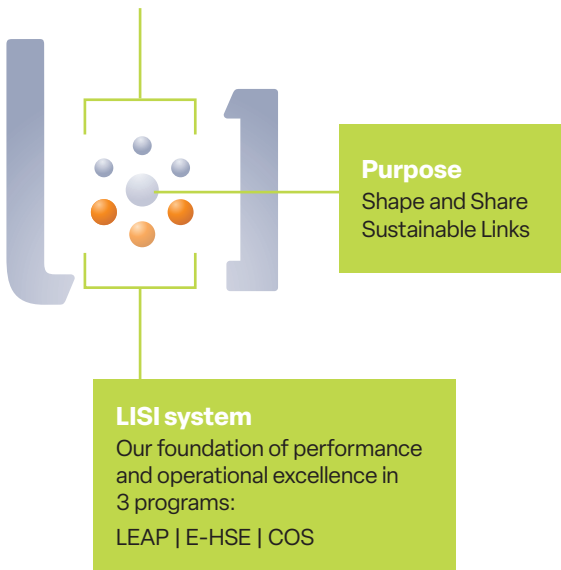
OUR PURPOSE

Shape and Share Sustainable Links

In line with its CSR policy, the LISI Group is accelerating its strategy around the 3Ps — PEOPLE, PLANET, PROFIT — by leveraging the fundamentals of the LISI system, its standards, and tools, as well as its two core pillars that form the Group's DNA: operational excellence and innovation.

3P Approach

A CSR strategy implemented at all levels of the company to align with our purpose; our approach is structured around the 3Ps: PEOPLE, PLANET, PROFIT



OUR 3PS WITH OUR 7 AXES



People



1 Protect our employees



2 Retain our talent



Planet



3 Protect our environment



4 Work with our territories



Profit



5 Go beyond our customers' expectations



6 Involve our suppliers



7 Secure our financial resources

OUR ADDED VALUE

Our Teams

- **Favorable and attractive social model:** employee participation, profit-sharing, employee ownership, and employee savings plans.
- **€678 M** in payroll expenses, representing **37.8% of sales revenue**.
- **28.4% of executives are females.**
- **TF1⁽²⁾ = 5.7.**

Our Customers

- **€17.6 M invested** to expand the capacity of our factories, representing 17% of total investments.
- **€27.9 M in R&D expenditures.**

Our Suppliers & Partners

- **€549 M in purchases** (raw materials, goods, tools, and other supplies).
- **67% of suppliers** identified as sensitive in terms of CSR were assessed in 2024.

Our Environment

- **-39% of our greenhouse gas emissions** compared to the 2019 baseline year for Scopes 1 & 2, along with €4.3 M in investments dedicated to carbon footprint reduction projects.
- **1.8% energy savings** in MWh from projects compared to the previous year's consumption (on a like-for-like basis).
- **0.7% of renewable energy** produced on-site.

The State and Communities

- **65% of sites** in water-stressed areas that have implemented their action plan.

Our Shareholders and Financial Partners

- **Free Cash Flow: 3.2% of sales revenue.**
- **€0.39 dividend per share⁽³⁾.**

(2) Number of workplace accidents with and without lost time per million hours worked.

(3) Dividend proposed at the General Meeting on 04/25/2025.

3P / People, Planet, Profit

Standing by our convictions

Interview

Anne-Delphine Beaulieu

Chief Sustainability Officer &
Digital Transformation, LISI

Key Figures

100%

OF OUR CSR RATINGS
HAVE IMPROVED

28.4%

OF FEMALE
EXECUTIVES

-39%

CARBON EMISSIONS
SINCE 2019

31

SUCCESSFUL
ENERGY EFFICIENCY
PROJECTS

5

SITES IN 5 COUNTRIES
EQUIPPED WITH
SOLAR PANELS
IN LESS THAN
18 MONTHS

■ Could you remind us of the fundamentals of LISI's CSR strategy?

Our sustainable development strategy embodies our purpose: Shape and Share Sustainable Links. Structured around the **3Ps — People, Planet, Profit** — it results from consultation with all our stakeholders.

As heirs to a long family and industrial history, we are driven by the ambition to pass on to future generations a company that is not only high-performing and innovative but also exemplary in its contribution to a more sustainable and inclusive society. At LISI, performance only makes sense when it serves a positive and lasting impact.

■ Do non-financial reporting regulations strengthen these challenges?

In a context of profound market transformation and growing demands for sustainable development, this strategy proves to be highly relevant. The new CSRD regulation further strengthens our requirements for non-financial reporting. Our ambition remains unwavering: to create lasting value for our entire ecosystem by

strengthening ties with local communities and preserving the environment for future generations.

■ How did you progress on these topics in 2024?

We maintained our efforts on the major topics of our 3 Ps. On the Planet side, our trajectories have been established, and our strategic compass is on track. On the People side, we launched impactful initiatives with the associations *Elles Bougent* and *Les Meufs de l'Industrie* to change perceptions of our companies and attract women to our professions. Additionally, we focused on two strategic themes: job transformation and the integration of Artificial Intelligence within the Group. The transformation of jobs is accelerating due to industry digitalization and the growing use of Artificial Intelligence (AI). LISI has chosen to address this phenomenon by working on developing workforce planning to anticipate the Group's needs and prepare for them: identifying the skills we will need and ensuring their availability (see p. 31).

■ How do you approach AI-related topics?

Significant progress was made in 2024. In terms of governance, we established a task force to address key issues, propose methodologies, prioritize use cases, and provide solutions (see p. 32). Additionally, LISI adopted an AI charter in 2024 aimed at promoting and guiding the responsible use of AI — a step that very few companies have taken so far (see p. 49). Finally, the task force identified 28 use cases, some of which will be implemented in 2025. We also developed a generative AI training plan that will be rolled out throughout 2025.

■ How have you moved forward on environmental and CSR issues?

The key highlight of 2024 was updating three carbon trajectory scenarios along with the associated actions required. These actions were clearly defined and quantified, including their impact on Opex⁽¹⁾ and Capex⁽²⁾. This work significantly improved our maturity and precision in setting reduction targets and understanding their costs (see p. 34).

“ Giving meaning to performance involves achieving strong and sustainable results that enable us to act with impact over the long term. We are proud that our consistent efforts are now reflected in our ratings, the awards we win, and the success of our initiatives.”

This is behind-the-scenes work, but it's absolutely essential. We successfully aligned our stakeholders on these trajectories. On the Profit side, evaluating the CSR performance of our sensitive suppliers required significant effort but allowed us to meet our objectives.

Our consistent improvement in CSR ratings over the past four years reflects this momentum. We're especially proud of achieving an A-rating from CDP Climate and being named the Grand Winner at the Future of Finance awards for our 'People, Planet, Profit' project. Additionally, we were recognized as one of Deloitte's Best Managed Companies for the third consecutive time (see p. 25). These achievements motivate us to continue and amplify our efforts, help us stay competitive and strengthen our ability to stand out.

(1) Opex: operating expenses for the day-to-day operation of the company.

(2) Capex: expenses committed for long-term investments.



3P / People

— The “P” for People, the first P in our sustainable development strategy, focuses on two priorities: protecting our employees and retaining our talents.

At LISI, we are deeply committed to workplace safety and employee well-being. We firmly believe that happy and fulfilled employees are the best source of sustainable innovation. This year marks a significant acceleration in our transformation with:

- **A skills development program** aimed at driving our talent toward excellence.
- **An approach to anticipating** the jobs of tomorrow, shaped by the challenges of artificial intelligence.
- **A strong policy** promoting diversity and inclusion, which are true drivers of collective performance.
- **The implementation of a dashboard** to track and improve our ability to attract and retain top talent.

This comprehensive approach to managing our talent represents a major strategic asset and the foundation for our future growth in a constantly evolving world.

Staying Agile with AI

A top strategic priority

“The company must integrate AI at the core of its strategic vision, viewing it as a driver of transformation rather than just a tool. LISI is co-developing, in collaboration with Mercateam, a workforce planning system to create short- and medium-term scenarios for securing critical skills within the organization.”

AI is radically transforming our professional landscape, rendering certain skills obsolete while others emerge at lightning speed. This revolution presents us with major challenges: continuous training, organizational adaptability, a learning culture, integration of emerging talents, and retaining our key workforce. *“Strategic investment in organizational agility is no longer optional — it’s an absolute necessity to turn these challenges into growth opportunities,”* says Anne-Delphine Beaulieu, Chief Sustainability Officer & Digital Transformation, LISI. *“We are facing a crucial generational paradox: while we focus our efforts on upskilling our current employees, new hires — digital natives — clash with our traditional paradigms. When we talk spreadsheets and presentations, they respond with generative AI and intuitive programming.”*



Workforce planning: anticipating the future to unlock our talent potential

Facing rapid market changes, LISI is implementing an innovative approach in partnership with the start-up Mercateam to create a tailored solution. This technology enables us to proactively manage skills with a 360-degree perspective.

- **Skills Forecasting:** an analysis of short-, medium-, and long-term needs based on real data (retirements, turnover, versatility).
- **Decision Intelligence:** a mapping of critical areas that enables leaders to anticipate and guide their investments in human resources.
- **Internal Mobility:** identifying pathways between roles to enhance career progression and maximize the potential of our employees.
- **Customized Training:** designing personalized development programs to bridge gaps in key skills.

This pilot project, launched in 2024 at one of our sites, embodies our vision of an agile company — ready to anticipate transformations while valuing and retaining our talent, our most valuable asset.

Integrating AI into the company

A key challenge for LISI

The integration of Artificial Intelligence is reshaping all professions, from administrative to industrial roles. LISI has adopted a structured and responsible approach by establishing governance with an AI charter that both regulates and fosters innovation (see box). *“This allows each of our employees to explore while managing risks and setting boundaries,”* emphasizes Anne-Delphine Beaulieu, Chief Sustainability Officer & Digital Transformation, LISI. AI is not optional; it is a strategic catalyst that we are deploying methodically to enhance our operational excellence.

Predictive Maintenance and Quality Control

Other areas identified as potentially optimizable through AI are currently under consideration, such as predictive maintenance, solving similar issues, and quality control. Advanced instrumentation of production lines, equipped with IoT sensors that continuously collect data, unlocks optimization opportunities and helps reduce costs in preventive maintenance — by preventing failures in quality control and minimizing impacts. We are also working on the contextual analysis of 420,000 resolved problem tickets within the Fabriq solution (a factory management platform) to identify similarities and accelerate problem resolution.

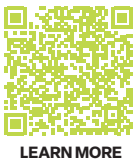


A dedicated AI task force

To address all challenges related to Artificial Intelligence in a coordinated manner, the LISI Group has established a dedicated task force. Comprising eight members from various professions and divisions, this AI Task Force (AITF) meets monthly to tackle diverse questions: What can be achieved with AI? What are the Group's priority use cases? What are the risks? Once these questions are resolved, the AITF ensures efficient management without wasting energy or resources. Additionally, meetings and learning expeditions have been organized to refine the knowledge and vision of the Group's members (see p. 49).

# Objectives & Trajectory		2023	2024
	TF1 SDG* 3: Good health and well-being GRI*: 403-2	6.7	5.7
	AXIS 1: PROTECT OUR EMPLOYEES		
	% of women cadres SDG* 5: Gender equality GRI*: 405-1	28.1	28.4
	AXIS 2: RETAIN OUR TALENT		
	% of resignations SDG* 5: Gender equality GRI*: 401-1	8.1	6.8
	AXIS 2: RETAIN OUR TALENT		

* SDG: Sustainable Development Goal / GRI: Global Reporting Initiative.





3P/Planet

■ In 2024, LISI defined its climate strategy through rigorous scenario modeling, setting a goal that is both ambitious and realistic. The trajectory for reducing greenhouse gas emissions by 2030 is underway. Projects for self-production of renewable energy and continuous optimization of industrial processes have been expanded. Efforts to reduce water consumption have also intensified. (see p. 25).

Carbon Trajectory

A balanced vision for 2030

In 2024, LISI redefined its 2030-2040 carbon trajectory through a strategic analysis of three impact scenarios (low, medium, high). The Board of Directors approved a balanced and ambitious roadmap, which is now fully operational. This rigorous approach enabled the precise quantification of the necessary investments in Opex⁽¹⁾ and Capex⁽²⁾ to implement the 52 strategic action families identified across the Group. *“This modeling marks a decisive turning point: our environmental ambitions are now transformed into precise, measurable, and actionable objectives,”* emphasized Yannick Danillon, CSR Manager, LISI.

A more accurate carbon footprint

This approach has transformed our carbon management, now providing a highly precise mapping of the Group’s emissions. Our measurement system accurately captures real CO₂-equivalent flows, both in consumption and production. This strategic visibility fully encompasses Scope 1 — direct GHG emissions generated by the company — Scope 2 — indirect emissions from the production processes of goods (such as energy) — and a significant portion of Scope 3 (purchases of goods, services, etc.). For the particularly complex Scope 3, our teams have developed a robust methodology that accounts for the geographic and industrial specifics of our supplier ecosystem.

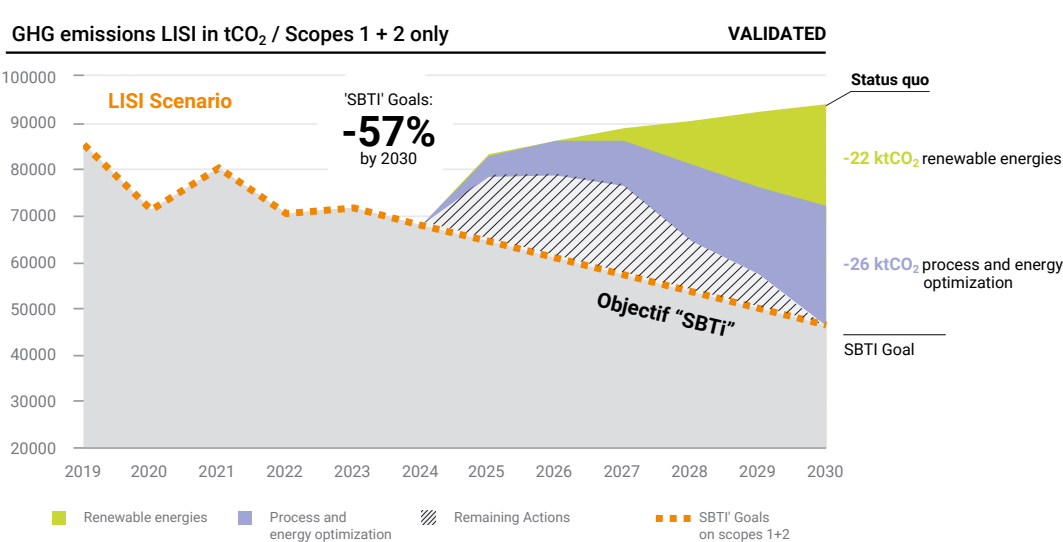
(1) Opex: operating expenses for the day-to-day operation of the company.
(2) Capex: expenses committed for long-term investments.



SBTi Methodology

To ensure the robustness of its calculations, the Group has chosen to adopt the methodology of the Science Best Target Initiative (SBTi). This initiative, which aims to support companies in their efforts to reduce greenhouse gas emissions, provides a benchmark aligned with the goal of limiting global warming to 1.5°C, as established by COP27.

2030 Goal: Reduce GHG emissions by 57% for Scopes 1 and 2 only, in line with SBTi standards



Water Consumption

Anticipating challenges and securing our operations

In 2024, the LISI Group undertook an in-depth analysis of water usage, identifying sites located in areas of water stress and those with annual water consumption exceeding 10,000 m³. This forward-looking study, projected through 2050, served as a powerful mobilization tool for site directors to address water resilience challenges.

In response to critical zones, the Group immediately implemented a three-pronged action plan: structural reduction of water consumption, maximization of alternative resources (such as rainwater harvesting and closed-loop systems), and operational self-sufficiency. By the end of 2024, 65% of our sites in sensitive areas had robust action plans in place, with some capable of temporarily halting natural water withdrawals during critical periods to ensure continuity of operations.



Objectives & Trajectory

	2023	2024
 Reduction of greenhouse gas emissions: Scopes 1+2 SDG* 13: Climate action GRI*: 305-1, 305-2	-37% vs 2019	-36% vs 2019
AXIS 3: PROTECT OUR ENVIRONMENT		
 % of renewable energies produced on our sites SDG* 13: Climate action GRI*: 301-2, 306-2	0.4%	0.7%
AXIS 3: PROTECT OUR ENVIRONMENT		
 % of energy savings in MWh due to the projects SDG* 13: Climate action GRI*: 301-1	1.7%	1.8%
AXIS 3: PROTECT OUR ENVIRONMENT		
 % of sites in water stress area sites that have implemented their action plan SDG* 11: Sustainable cities and communities GRI*: 303-1, 302-4	100%**	65%
AXIS 4: PROTECT OUR ENVIRONMENT		

* SDG: Sustainable Development Goal / GRI: Global Reporting Initiative.

** 100% of sites in water stress zones defined an action plan in 2023, and 65% implemented their action plan in 2024.



LEARN MORE

3P / Profit

2024 Highlights

■ Our economic performance remains inseparable from our social responsibility. Our impact financing, linked to CSR criteria, perfectly illustrates this integrated approach. We continue to invest in sustainable innovation and the eco-design of our products to support our clients in their own transitions, particularly in the automotive and aerospace sectors. In 2024, efforts focused especially on procurement, aiming to engage our entire value chain in a responsible approach.

Interview Laura Prodöhl

Group Lead buyer
Transportation, Customs &
Packaging, LISI AUTOMOTIVE

■ What did you focus on in 2024?

LISI AUTOMOTIVE manufactures parts in Europe that are then transported to our two sites in China. Until now, these shipments were primarily handled via air and sea transport. Our goal has been to shift to rail transportation. We worked with one of our partners to consolidate the flows from LISI AUTOMOTIVE's French and German sites and centralize them at a single departure point for Asia.

■ How did you proceed?

We first merge together in Lyon the flows from the French factories in Puiseux, Delle and Melisey. These goods are then transported by train to Duisburg, where all parts from the German sites in Mellrichstadt and Heidelberg are consolidated. The entire shipment is then grouped into a container and sent by train from

Duisburg, Germany, to our LISI AUTOMOTIVE factories in Shanghai and Suzhou. This journey across Europe and Asia takes between 33 and 35 days.

The process involved close collaboration between the logistics teams at the factories, the customer service department, and central procurement as part of a comprehensive project approach.

This choice allowed us to both optimize costs and ensure more reliable delivery times compared to maritime transport, whose prices and lead times fluctuate significantly due to geopolitical factors (e.g., piracy in the Red Sea) and market conditions (e.g., Chinese New Year, Christmas, or shipping companies’ ‘blank sailing’ policies). We achieved our goal: we have stopped air deliveries, except for those necessary to address urgent needs. This decision has had a direct impact on reducing costs as well as on the Group’s carbon footprint.

■ What are the projects for 2025?

Road transport, relative to the volumes transported, remains our primary mode of delivery. We aim to electrify the trucks that connect our factories with those of our subcontractors. The project focuses on highly regular routes managed by a partner using a shuttle system modeled on the “milkrun”. At peak times during the week, about ten trucks connect Normandy, the Paris region, northern France, and eastern France.

The carrier has already acquired several electric trucks. As part of this joint project, we plan to install charging stations at our Delle site, which currently serves as the logistical hub for this network. Over the coming months, we will test and analyze the economic reliability of this model.

“The rail option between Europe and China proved to be a winning choice for LISI AUTOMOTIVE”.



Green energy purchases: moving toward more PPAs

For renewable energy purchases, the LISI Group is refining its strategy by increasing the use of Power Purchase Agreements (PPAs). These agreements allow the Group to enter into specific contracts requiring energy suppliers to provide a defined share of renewable energy, such as wind, solar, or hydroelectric power. This commitment enables the Group to include this share in its carbon footprint calculations. This strategy is being pursued alongside self-production projects implemented at the Group’s sites.

# Objectives & Trajectory	2023	2024
New products (% of sales revenue):		
LISI AEROSPACE	7.3%	7.6%
LISI AUTOMOTIVE	12%	12.4%
LISI MEDICAL	4.7%	2.0%
 SDG* 9: Industry, innovation, and infrastructure GRI*: 201-1		
AXIS 5: GO BEYOND OUR CUSTOMERS’ EXPECTATIONS		
% of sensitive suppliers assessed as per CSR criteria	57%	67%
 SDG* 9: Industry, innovation, and infrastructure GRI*: 414-1, 308-1		
AXIS 6: INVOLVE OUR SUPPLIERS		
In 2024: Sales revenue: €1,794 M Free Cash Flow: €57.7 M / 3.2% of sales revenue		
 SDG* 8: Decent work and economic growth GRI*: 202-1		
AXIS 7: SECURE OUR FINANCIAL RESOURCES		

* SDG: Sustainable Development Goal / GRI: Global Reporting Initiative.



LEARN MORE



Innovation

€27.9_M

IN R&D EXPENSES

36

PATENTS FILED
IN 2024*

Envisioning the future

— Innovation is one of the two pillars of the LISI model. It enables each division to operate at the highest level in its markets by providing a critical competitive advantage. This ability to envision the future is made possible by the commitment of all the Group's teams and allows for the development of major product innovations and technological breakthroughs in our production processes.

* Filing of an invention through an e-Soleau envelope or initial patent application.

Reducing “buy to fly” with TYX technology



Interview **Élisabeth Willocq**

R&T Director – Engine and
Structural Components,
LSI AEROSPACE

■ Can you remind us what TYX technology is?

It is an innovative technology that enables the production of metal parts with T, Y, or X-shaped sections using low-power hydraulic presses — for example, 3,000 tons — whereas forging the same parts would require forces of up to 60,000 tons for the largest pieces. The principle of the technology is to deform only the areas that need to be reshaped. This significantly reduces the effort required for deformation.

■ What are the benefits?

Until now, these parts were manufactured by suppliers equipped with sufficiently powerful machinery to forge components of this size. TYX technology allows us to use our own equipment to produce parts with geometry and characteristics equivalent to forged parts.

By reducing the “buy to fly” ratio — that is, the amount of material purchased compared to the material that constitutes the finished part — it lowers costs and reduces the carbon footprint associated with production. Additionally, it provides a viable alternative for customers looking to bring the manufacturing of certain parts back to Europe and diversify their supply sources.

■ How far along are you in developing this application?

We are working on two fronts. The first focuses on titanium parts and aims to produce larger, more complex components with greater mechanical constraints. We are currently positioned for the production of parts for the A350 and are exploring other market opportunities.

The second focuses on duplicating the process for aluminum parts. We are currently actively engaged in a co-development program with one of our major clients. Our goal is to launch the qualification in 2026 to introduce the parts into aircraft by the end of 2027.

#AEROSPACE #PROCESS

“Designers are now incorporating OPTIBLIND™ fasteners *into aircraft designs*”



Interview
Benoit Regnard

R&D and Customer
Applications Director
LISI AEROSPACE

■ **Can you remind us of the origins of OPTIBLIND™?**

The idea began in 2007. At that time, the LISI AEROSPACE division identified a need among major aircraft manufacturers such as Airbus, Dassault Aviation, and Boeing. They were looking for blind fastener systems for aerostructures to eliminate the need to work on both sides of the parts they wanted to assemble. The OPTIBLIND™ fastener system by LISI AEROSPACE enables such assemblies: it allows operations to be performed from one side only, without requiring access to the internal side of the structure, such as inside the wing or fuselage of an aircraft.

This system makes it possible to design much more slender wings than those currently in use, resulting in improved aerodynamics. This design significantly reduces fuel consumption. The impact of this technology is as significant as engine innovations in driving the transformation of the aerospace industry.

After a phase of concept evaluation, we launched a major product/process development program in 2015 to design and validate the entire range, which includes over 1,500 variants, along with associated installation tools, both portable and robotic. During this period, we also accelerated collaborations with aircraft manufacturers by integrating numerous technological demonstra-

tors. In 2023, we received the Supplier Innovation Award from Airbus. This was a pivotal moment for our teams — a recognition of both our innovation and the technical maturity achieved. The technology has moved from R&D into operational use.

■ **Where do things stand today?**

We are currently in a phase of industrial ramp-up to enable large-scale production. At the same time, designers of future aircraft now recognize that this technology is mature and are already incorporating it into the designs of next-generation aircraft. In parallel, we are expanding the product range with additional versions to meet new demands from aircraft manufacturers, while focusing our research and development efforts on new technologies. Today, we are adding sensors, connectivity, and intelligence to the installation tools for the fasteners, integrating a control function. Operators will have real-time access to data that indicates whether the assembly is correct or if an issue has occurred. We are advancing our research and are now capable of integrating digital solutions and artificial intelligence into the high performance and reliability of our products.

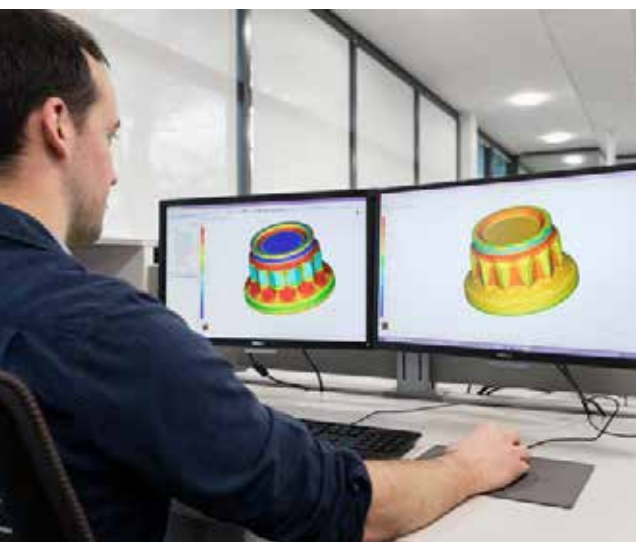
**#AEROSPACE #TECHNOLOGICAL
DISRUPTION**

Customer Application Development

A faster response to our customers' needs

A new unit was established in 2024 within the R&D department of LISI AEROSPACE. Named Customer Application Development, its mission is to strengthen technical proximity with the Group's clients and accelerate response times for specific needs. Composed of LISI engineers specialized in fasteners and working closely with aircraft manufacturer teams, the CAD unit bridges the gap between fasteners and their application in service. It provides tailored solutions and rapidly develops specific concepts. Several products resulting from this work have already been added to the product range.

#AEROSPACE #PROCESS



New applications

for LISI- μ MACH ASSEMBLY PROCESS®

“The Cold Spray metallization process opens up interesting possibilities for everything related to electrical connections”.



David Mercs,
Chief Research and Innovation Officer,
Director of Expertise, Manager
of Experts' Network, LISI AUTOMOTIVE

The LISI- μ MACH ASSEMBLY PROCESS®, a mechanical assembly method combining laser micro-machining and additive manufacturing, is opening new market opportunities. In 2024, the teams at LISI AUTOMOTIVE focused on applications related to the cold spray projection aspect of this breakthrough innovation. This process was utilized to metallize specific surfaces, delivering better results than traditional laser welding. It presents promising opportunities for applications involving electrical connections, such as metallizing connection zones on battery cells. A co-development program was initiated with a European battery manufacturer, and the first connections were produced at the Delle site (located in the Territoire of Belfort). This site handles cold spray metallization, cleaning, and packaging operations. The initial production series targets an annual volume of 150,000 parts.

#AUTOMOTIVE #PROCESS

Excellence

€100.4_M

CAPEX

Giving purpose to achievement

■ The markets in which the LISI Group operates are constantly evolving. This requires continuous efforts in anticipation and adaptation from the teams. To achieve this, the Group relies on the pursuit of operational excellence, a central element of LISI's collective industrial performance. This pursuit is built on the LISI system, the Group's benchmark for driving excellence across both factories and support services. Shared by everyone, it ensures a strong dynamic of continuous improvement.



“ The quality of collaboration between the French and American teams has been exceptional. Getting to know one another and sharing insights about our respective cultures has helped foster communication and strengthen mutual trust”.

Alexandre Guinet, Manufacturing Engineering Manager, LISI AEROSPACE (Saint-Ouen-l’Aumône).

Hydraulic fittings

Successful industrial transfer between the American and French teams

The development of hydraulic fittings production is underway at the LISI AEROSPACE plant in Saint-Ouen-l’Aumône (Val-d’Oise, France). This industrial transfer is part of the rollout of this new activity within the Group following the acquisition of the American company B&E Manufacturing, based in Garden Grove, California, in 2021. B&E Manufacturing, a cutting-edge company ranked third globally, holds strong positions in the U.S. hydraulic fittings market, primarily in military aerospace. This acquisition enables LISI AEROSPACE to expand its product portfolio by entering a market segment valued at €400 M in annual revenue.

The interest of European aircraft manufacturers in this technology — particularly as part of their efforts to secure their supply chains — has accelerated the implementation of production transfers from the United States. The first teams responsible for this industrialization project were formed in Saint-Ouen-l’Aumône as early as 2021, ahead of the official launch of the French production project a year later. Today, around thirty employees are involved in this transfer and, with support from the Garden Grove teams, are driving the technical ramp-up of the French teams. In 2024, 250,000 hydraulic fittings were produced at the Saint-Ouen-l’Aumône site.

To achieve this goal, a mirrored organizational structure was established on both sides of the Atlantic, led by two team leaders. Regular and close exchanges were organized between the two teams, focusing on industrial challenges, regulatory standards, innovation, as well as more informal discussions on cultural topics. These interactions helped strengthen ties and enhance cooperation between employees from both countries.

The Garden Grove site currently continues to manufacture all types of hydraulic fittings — straight or angled, threaded or crimped — offered by the Group to its customers. For now, the Saint-Ouen-l’Aumône site focuses its production on straight fittings, with angled fittings added at the end of 2024, before moving on to more complex manufacturing. Crimped fittings, which require specialized expertise, will be the next step in development. Once these stages are completed, the French site will be able to leverage its innovation management capabilities, an area in which it has significant expertise.

#AEROSPACE
#TRANSFER OF KNOW-HOW



Successful Transformation for Termax Lake Zurich

Located near Chicago, LISI AUTOMOTIVE Termax's Lake Zurich site is the Group's industrial nerve center for the production of clipped solutions in the United States. Specializing in the development and manufacture of clipped metal, plastic and metal-plastic solutions for automotive interior and exterior trim, the Lake Zurich plant coordinates Termax innovations, sales and development worldwide. Recognized for its industrial excellence, this site has required major expansion to support the growth of this activity.

Begun in early 2024 and completed in February 2025, the relocation of warehousing activities in early 2024 to a new warehouse in the immediate vicinity of the site enabled the old warehouse to be transformed into a plastic molding center. In July, efforts focused on modernizing the metal solutions production area to the north of the building. The last major step in the transformation plan – the transfer of our high-speed production presses to the main building – preceded the finishing phase, which will continue until the end of 2025.

By reducing the number of buildings from four to three, and concentrating all production in a single building, this reorganization has optimized flows and considerably improved production efficiency. *"It was also a catalyst for the implementation of 5S and LEAP continuous improvement practices. This cultural change, shared by all employees, is helping us to*

create a more collaborative and efficient workplace", remarks Wes J. Gardocki, CEO LISI AUTOMOTIVE Termax.

The renovation of the facilities was an opportunity to focus on safety. Improved lighting, for example, has transformed the working environment, creating a more comfortable lighting atmosphere for production and quality control teams. Protective cages have been installed around all material feeders to reduce risks. *"This new organization is positive on all levels; it enables us increase safety levels for employees, improve productivity, reduce costs and offer greater added value to our customers,"* concludes Wes J. Gardocki.

#AUTOMOTIVE #CONTINUOUS IMPROVEMENT

“This transformation served as a catalyst for implementing continuous improvement practices such as 5S and LEAP. It allowed us to create a *more collaborative and efficient workplace.*”

Wes J. Gardocki, CEO, LISI AUTOMOTIVE Termax

The new metal transformation workshop

High-Level Teams for the Big Lake Expansion

LISI MEDICAL's Big Lake site in Minnesota, USA, specializes in the production of implants for spinal surgery and components for minimally invasive surgery (MIS). Big Lake currently operates 15 automated cells with 62 CNC machines and a further 24 machines with robotic part handling. To keep pace with market growth – business has almost doubled in 3 years – the site has embarked on a 484,000 sq ft. expansion project in 2024. The in-house team in charge of automated lines has been strengthened to enable a gradual increase in the sales/FTE (Full-Time Equivalent) ratio over the next four years. Automation efforts are now focused on secondary manufacturing processes, with the use of artificial intelligence for automated control stages. *"These technological developments not only enable us to respond to market growth, but also to increase the skill level and remuneration of our employees, emphasizes Kenneth Durham, VP General Manager of LISI MEDICAL US. The creation of a highly technological, Industry 4.0-type facility improves competitiveness and is also an effective recruitment and retention strategy at a time when the job market remains tight in the USA."*

These transformations have eliminated manual tasks and considerably improved site ergonomics. They also favored the deployment of closed-loop manufacturing processes and the implementation of a global management model, capable of measuring the site's overall real-time performance (OEE).

"A highly effective system that enables us to monitor process efficiency and continuously improve performance, notes Kenneth Durham. This new organization supports high-volume production for the minimally invasive surgery market, with unrivalled levels of quality and productivity," he concludes.

#MEDICAL #AUTOMATION

“These technological advancements enable us to meet market growth while also enhancing the skill levels of our employees.”

Kenneth Durham, VP General Manager, LISI MEDICAL US



Governance

- 48 A code of conduct to guide individual actions
- 49 A charter to promote and regulate the use of AI
- 50 Operational management
- 52 The Board of Directors
- 54 The committees



Setting the *direction* for our actions



■ The LISI Group is committed to creating favorable conditions for its development while adhering to rules and standards of good governance. It is structured around three complementary decision-making bodies to address strategic challenges and set the direction for its actions: the Board of Directors, the Executive Committee, and the Leadership Board. In 2024, the Group introduced a code of conduct and a charter focused on the use of Artificial Intelligence to guide business behavior and establish rules for all employees to follow.



A code of conduct to guide individual actions

■ The LISI Group has built its growth on compliance with laws and best practices. To ensure and strengthen this commitment, LISI has developed a code of conduct designed to guide the behavior of each individual in their professional activities.

LISI places the highest importance on acting impeccably with its stakeholders. Through the values it upholds, reinforced by its membership in the United Nations Global Compact — an initiative aimed at encouraging companies to adopt socially responsible practices — LISI is committed to combating corruption in all its forms. In line with its purpose, Shape and Share Sustainable Links, the Group is dedicated to contributing to a sustainable and inclusive world. This strategy was further strengthened in 2024 with the publication of a code of conduct.

Endorsed by members of the Executive Committee, this document reflects the Group's commitments to ethics, social responsibility, and the initiatives it has undertaken in these areas. Structured around the 3Ps — People, Planet, Profit — which form the foundation of its CSR approach, the code of conduct outlines the rules every employee must follow in their roles. It also refers to charters and policies developed within the Group on various topics related to business ethics (such as compliance and whistleblowing systems). Together, these elements create the ethical framework for actions carried out by LISI and its employees.



LEARN MORE

An online training module

The Code of Conduct is accompanied by an online training module designed for all Group employees. This module enables each employee to verify and strengthen their understanding of LISI's rules and standards regarding ethical behavior, compliance with laws, and applicable regulations (in line with local legislation). Additionally, the online module provides the necessary tools for managing problematic situations that employees may encounter in the workplace.

A charter to promote and regulate the use of AI

■ The LISI Group has launched an ambitious initiative centered around Artificial Intelligence (AI). To support this transition, it has implemented a dedicated charter on the subject.

Developed by an internal multidisciplinary working group, the LISI Artificial Intelligence Charter aims to promote the use of AI while establishing clear guidelines for its application. It provides employees with the tools to fully understand the opportunities, expectations, risks, and responsibilities associated with AI usage. Designed to guide those who use AI or are considering its use, the document defines AI and its objectives according to LISI's vision. It outlines various use cases, highlights the impacts on People, Planet, and Profit, and includes a special focus on generative AI along with its golden rules. The charter also identifies the limitations of this resource, specifying scenarios where generative AI can be used and those where it should be avoided.



LEARN MORE

Why a charter on AI?

Artificial Intelligence (AI) aims to perform tasks that would typically require human intelligence. These tasks include learning, problem-solving, decision-making, visual and auditory perception, and natural language understanding. LISI's AI Charter is designed to promote and guide the responsible use of AI within the Group. It helps all LISI employees fully understand the benefits, expectations, risks, and responsibilities associated with AI usage. This charter has several objectives:

- Establish clear guidelines
- Promote an ethical and thoughtful use of AI
- Identify and manage risks
- Build trust
- Comply with regulations



A charter aligned on the 3Ps

The AI charter was led by a task force of 8 members representing a variety of professions and divisions. Aligned with the CSR approach, "People, Planet, Profit," its goals are multifaceted:

- Support the transformation of professions and provide training (People)
- Promote a regulated and transparent use of AI (People)
- Lead the way as ambassadors and pioneers (People)
- Consider the environmental impacts of AI (Planet)
- Leverage AI to enhance competitiveness, productivity, and innovation (Profit)
- Address the challenges of AI implementation (Profit)

Operational management

The Executive Committee

It is composed of 10 members representing the Group's Executive Management and the CEOs of the three divisions. Its role is to share all operational and strategic decisions of the Group.

● Member of the Executive Committee

LISI



● **Emmanuel VIELLARD**
CEO



● **Raphaël VIVET**
Chief Financial Officer



● **Christophe Martin**
Senior VP Industrial & Purchasing



● **Cécile LE CORRE**
General Counsel



Christian DARVILLE
Senior VP Administration & Strategic
development North America



● **Anne-Delphine BEAULIEU**
Chief Sustainability Officer &
Digital Transformation



● **Alexis Polin**
Chief HR Officer



● **Pierre-Emmanuel KOHLER**
VP Information and Technology

The Leadership Board

It is composed of 26 members representing the key functions of each division of the Group and the Executive Management. It defines and implements the Group's operational strategy.

LISI AEROSPACE



Emmanuel NEILDEZ
CEO



Cédric DEJEAN
Senior VP General Manager
Business Group Fasteners



François-Xavier DU CLEUZIOU
Senior VP Strategy & Procurement



Bénédicte MASSARÉ
Senior VP Finance



Frédéric BALCERZAK
Senior VP General Manager Business
Group Structural Components



Yannick MORVAN
Chief Quality and Technology
Officer



Michael REYES
Deputy VP General Manager,
Business Group Fasteners



Scott Wood
Senior VP General Manager
Business Group Fasteners
North America

LISI AUTOMOTIVE



François LIOTARD
CEO



Martin BELEY
Senior VP General Manager Business
Group Safety Mechanical Components



Éric FERNANDEZ
Senior VP General Manager
Business Group Threaded Fasteners



Thierry JULIAT
Senior VP General Manager Excellence
Systems & Global Supply-Chain



Vincent QUINAUX
Senior VP General Manager
Business Group Clipped Solutions



Wes J. GARDOCKI
CEO LISI AUTOMOTIVE Termax



Françoise ZAUGG
Finance, Marketing & Internal
Control Director

LISI MEDICAL



Lionel RIVET
CEO



Marie-Georges BOUICHET
Chief Quality & Regulatory Affairs
Officer



Kenneth DURHAM
VP General Manager
LISI MEDICAL US

The Board of Directors

as at December 31, 2024

Chairman of the Board of Directors

1 Jean-Philippe KOHLER

Members of the Board of Directors

2 Bernard BIRCHLER ●

3 Isabelle CARRERE

4 Françoise GARNIER ●

5 SAS CIKO represented by Capucine KOHLER

6 PEUGEOT Invest Assets represented by Guillaume FALGUIERE

7 Compagnie Industrielle de Delle represented by Geoffroy KOHLER

8 Marie-Hélène PEUGEOT-RONCORONI

9 Pierre Eric POMMELLET ●

10 Véronique SAUBOT* ●

11 VIELLARD MIGEON & Cie represented by Cyrille VIELLARD

12 Florence VERZELEN ●

13 Emmanuel VIELLARD CEO

14 Mohamed EZZENZ ▲ employee representative board member

15 Vincent COSNEFROY ▲ employee representative board member

Secretary of the Board of Directors

16 Cécile LE CORRE

● Independent board member
▲ Employee representative board member

* Vice-Chairwoman and Senior Director.



Key Figures

7
meetings in 2024

46%
female members

97%
attendance rate

15 members*,
who combine top-level
managerial, industrial and
financial skills

8 Board members
from family groups

5
independent
Board members

2
Employee-representative
board member

(*) Composition as at December 31, 2024.



The Committees

as at December 31, 2024

Key Figures

15
meetings
in 2024

94%
attendance **rate**

The Audit Committee

Chairperson

Françoise GARNIER

Members

Bernard BIRCHLER

Isabelle CARRERE

Florence VERZELEN

The NRG Committee

(Nominations, Compensation,
Governance)

Chairperson

Véronique SAUBOT

Members

Françoise GARNIER

Marie-Hélène PEUGEOT-RONCORONI

The Strategic Committee

Chairperson

Bernard BIRCHLER

Members

Capucine KOHLER

Geoffroy KOHLER

Pierre Eric POMMELLET

Véronique SAUBOT

Cyrille VIELLARD

The CSR Committee

Chairperson

Jean-Philippe KOHLER

Members

Isabelle CARRERE

Mohamed EZZENZ

Guillaume FALGUIERE

Marie-Hélène PEUGEOT-RONCORONI

Cyrille VIELLARD

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2

Consolidated financial statements



Consolidated financial statements

Contents

1	Information concerning the LISI Group	59
1.1	Key figures	59
1.2	Legal organization chart	60
1.3	Functional organization chart	59
1.4	Group activities and outlook	62
2	Consolidated financial statements	70
2.1	Income statement	70
2.2	Statement of comprehensive income	71
2.3	Consolidated statement of financial position	72
2.4	Consolidated cash flow statements	73
2.5	Statement of changes in equity	74
3	Notes to the financial statements	75
4	Statutory Auditors' reports	116

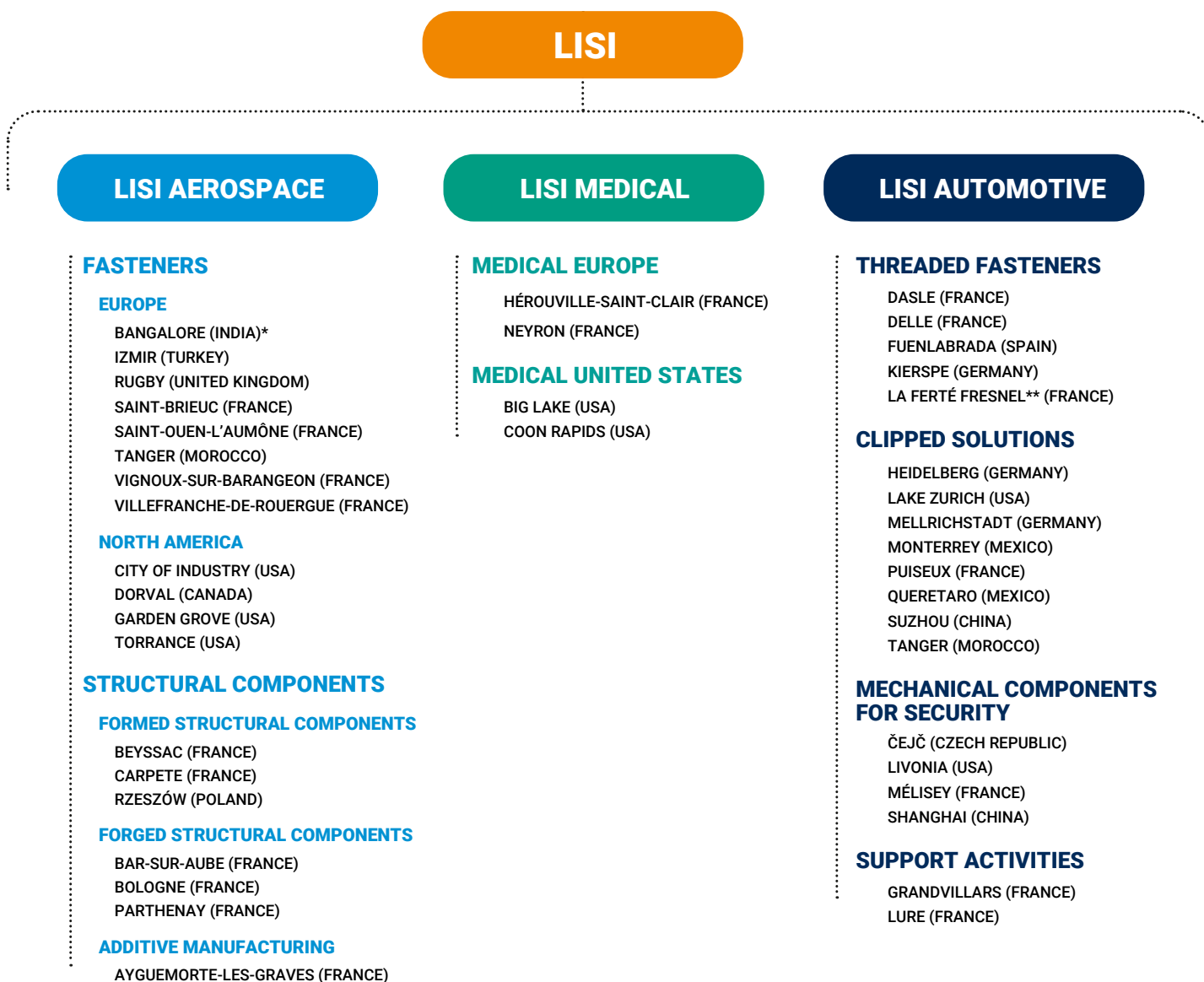


1 Information concerning the LSI Group

1.1 Key figures

(in € millions)	2024	2023	2022	2021	2020
Revenue	1,794.0	1,630.4	1,425.2	1,163.9	1,230.0
Current operating profit (EBIT)	115.0	90.7	89.1	66.6	41.5
Income for the period attributable to owners of the parent	56.0	37.5	57.0	44.0	(37.3)
Shareholders' equity and minority interests	1,006.2	938.7	1,118.4	1,053.5	990.4
Net debt	488.5	501.1	291.5	272.8	220.8
Registered employees at period end	10,262	10,014	9,676	9,480	9,676

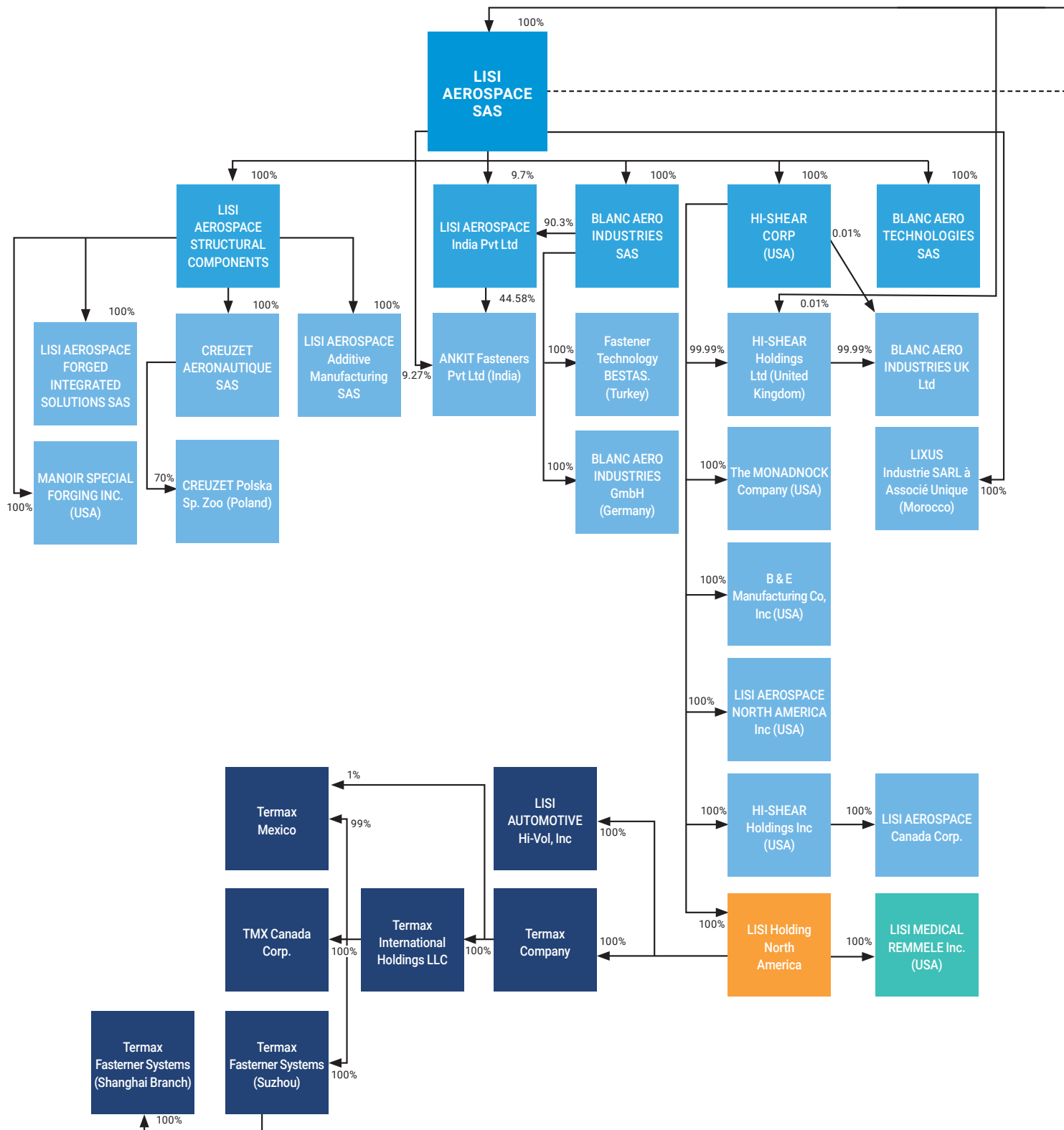
1.2 Legal organization chart

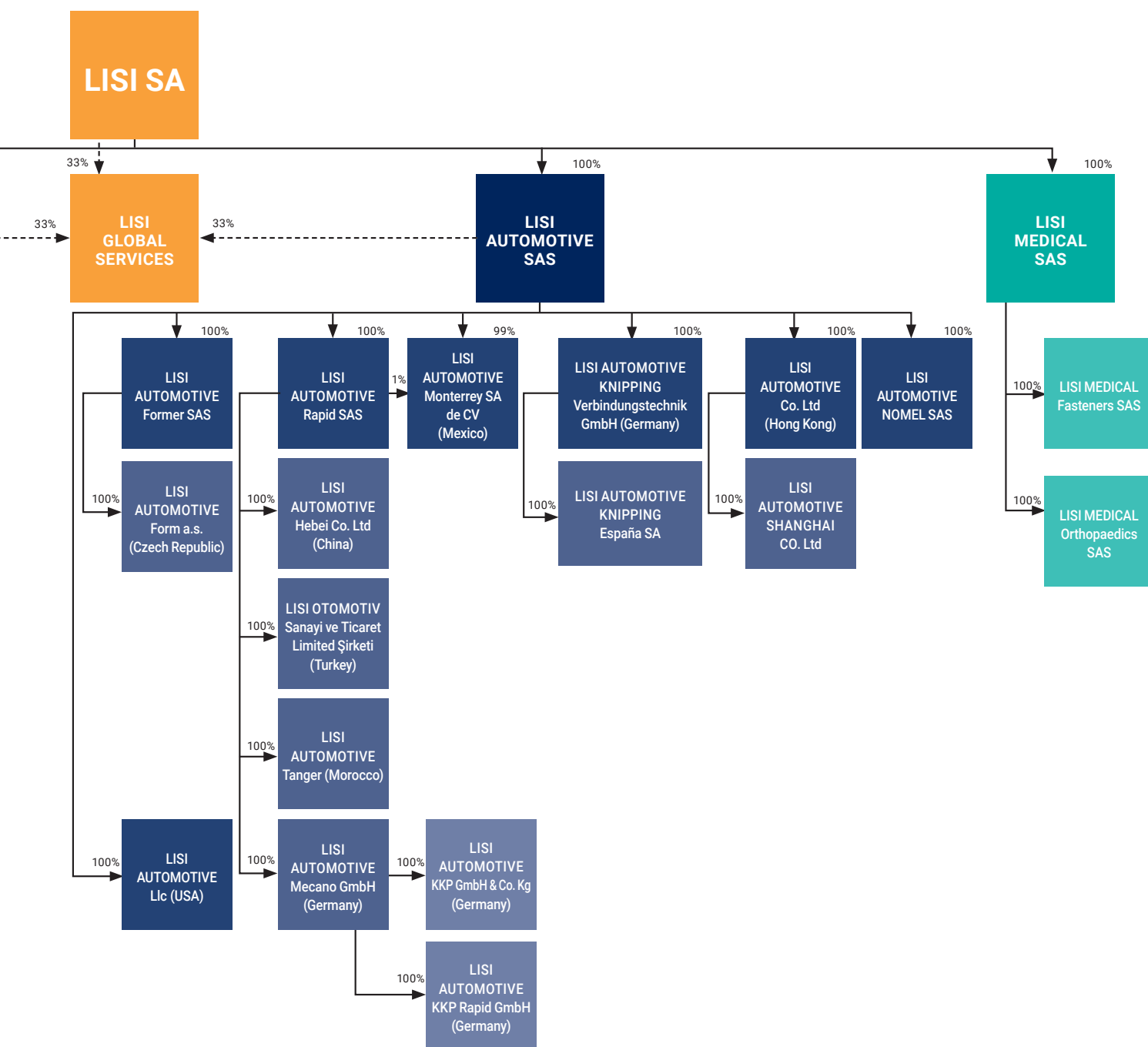


*secondary sites

**disposal on 02/28/2025

1.3 Functional organization chart





1.4 Group activities and outlook

LISI Consolidated

The LISI Group has posted organic growth of over 10% for the third consecutive year with significant progress in its financial indicators, in line with its objectives.

- Revenue reached a record level of €1,794.0 million, up 10.0% on 2023, reflecting in particular the strong momentum of all segments of the aeronautics market;
- EBIT stands at €115.0 million, exceeding that of 2023 by €24.3 million. The current operating margin improved by + 0.8 points to 6.4%;
- Free Cash Flow is largely positive across the Group's three divisions and stands at €57.7 million;
- The Group strengthens its financial position to 2.3x EBITDA and reduces its net debt by €12.6 million compared to 2023 post the Public Share Buyback Offer.
- Outlook:
 - The sustained growth expected in the aeronautics industry should mitigate the consequences of certain possible jolts in the automotive industry;
 - Objective: continued improvement of the reference financial indicators based on constant macroeconomic assumptions.

Comments regarding business over the year

Consolidated revenue for 2024 reaches a record level of €1,794.0 million, up 10.0% on 2023.

In line with the objective of maintaining positive organic growth in 2024, the increase in revenue adjusted for currency fluctuations and excluding scope effects stands at +10.2% for the full year.

Change in reported revenue by quarter (€ million)

	Q1		Q2		Q3		Q4		TOTAL	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
LISI AEROSPACE	199.8	252.5	214.7	252.5	200.2	237.1	224.2	287.9	838.9	1,030.1
LISI AUTOMOTIVE	159.1	157.3	159.4	153.3	150.2	136.6	141.7	132.5	610.4	579.7
LISI MEDICAL	42.6	39.7	46.5	48.8	46.0	45.9	46.8	51.0	181.9	185.3
LISI Consolidated	401.3	449.3	420.4	454.3	396.2	419.4	412.5	471.1	1,630.4	1,794.0

	Q1 2024		Q2 2024		Q3 2024		Q4 2024		Total 2024	
	Δ reported	Δ organic	Δ reported	Δ organic	Δ reported	Δ organic	Δ reported	Δ organic	Δ reported	Δ organic
LISI AEROSPACE	+26.4%	+27.0%	+17.6%	+17.2%	+18.5%	+18.7%	+28.4%	+28.0%	+22.8%	+22.8%
LISI AUTOMOTIVE	-1.2%	-0.6%	-3.9%	-3.7%	-9.1%	-8.2%	-6.5%	-6.7%	-5.0%	-4.7%
LISI MEDICAL	-6.9%	-6.7%	+4.8%	+4.4%	-0.2%	+0.8%	+8.9%	+7.6%	+1.8%	+1.7%
LISI Consolidated	+11.9%	+12.5%	+8.1%	+7.9%	+5.9%	+6.4%	+14.2%	+13.7%	+10.0%	+10.2%

Comments on Q4 activity

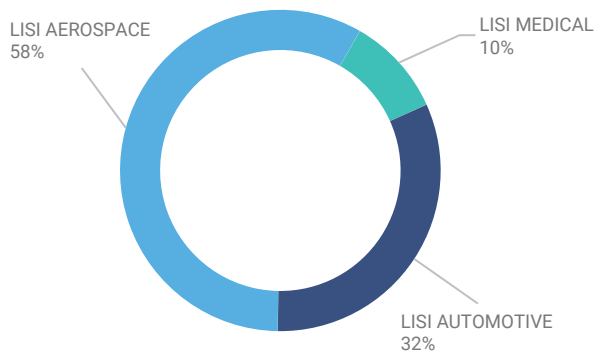
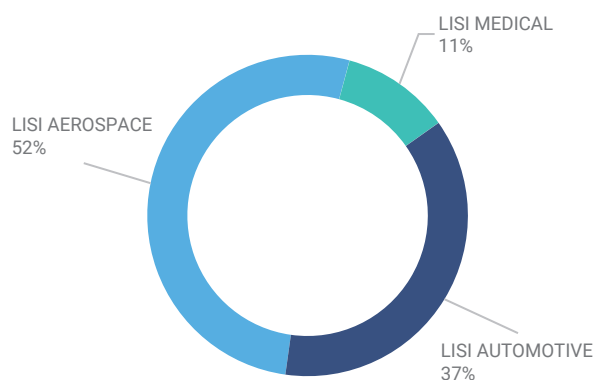
Adjusted for currency fluctuations and excluding scope effects, Q4 revenue increased by +13.7% on the same period of the previous financial year. It benefits from the

continued strong increases in production across all segments of the aeronautics market.

Comments on the Group's results**Key figures as of December 31**

12 months ending December 31		2024	2023	Changes
KEY ELEMENTS OF THE INCOME STATEMENT				
Revenue	M€	1,794.0	1,630.4	+10.0%
EBITDA	M€	211.8	178.2	+18.9%
EBITDA margin	%	11.8	10.9	+0.9pt
Current operating profit (EBIT)	M€	115.0	90.7	+26.9%
Current operating margin	%	6.4	5.6	+0.8pt
Net profit (loss)	M€	56.0	37.5	+49.2%
Net earnings per share	€	1.23	0.83	+48.2%
KEY ELEMENTS OF THE CASH FLOW STATEMENT				
Operating cash flow	M€	170.0	132.5	+37.5M€
Net CAPEX	M€	-100.4	-96.7	+3.7M€
Operating Free cash flow*	M€	57.7	22.2	+35.5M€
KEY ELEMENTS OF THE FINANCIAL STRUCTURE				
Net debt	M€	488.5	501.1	-12.6M€
Ratio of net debt to equity	%	48.6	53.4	-4.8pts

* Operating Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements.

Breakdown of 2024 revenue**Breakdown of 2023 revenue****Registered headcount at end-December**

	2024	2023	Change N/N-1	
LISI AEROSPACE	6,279	5,871	+408	+6.9%
LISI AUTOMOTIVE	3,076	3,202	-126	-3.9%
LISI MEDICAL	812	846	-34	-4.0%
LISI Corporate	95*	95*	-	-
TOTAL GROUP (EXCLUDING TEMPORARY WORKERS)	10,262	10,014	248	+2.5%
Temporary workers	962	833		

* of which GIE (Shared Services Center): 52 people in 2024 and 51 people in 2023

The EBITDA margin reached 11.8%, a 0.9-point increase on 2023. In the LISI AEROSPACE division, it benefited from the improvement in industrial productivity thanks to the training efforts of the numerous recruits in 2023 and 2024. It also reflects the finalization of negotiations aimed at reflecting inflation in sales prices. Added to this is the work of adjusting fixed costs kicked off in the LISI AUTOMOTIVE division. All of these factors allow to display an EBITDA margin of 12.7% in Q4 2024.

Net provision reversals amount to €7.5 million (€13.4 million in 2023). These provision reversals do not improve the bottom line, they compensate the operating expenses for the period.

EBIT increased by +€24.3 million on 2023 and stood at €115.0 million. The current operating margin increased by +0.8 point to 6.4%.

Non-recurring operating income and expenses, which amount to -€23.1 million (-€4.3 million in 2023), consist mainly of costs linked to the industrial reorganizations of the LISI AUTOMOTIVE division.

The financial loss stands at -€15.9 million (-€25.6 million in 2023); this is mainly due to the following factors:

- the effects linked to the revaluation of debts and receivables in foreign currencies and the change in the fair value of hedging instruments (+€11.2 million versus -€6.9 million in 2023),
- financial expenses, which represent the cost of long-term net debt, amounted to -€31.1 million (-€20.4 million in 2023). In particular, they were increased by the cost of financing the Public Share Buyback Offer conducted in May 2023 (€6.8 million in 2023; €11.3 million in 2024). Gains on current treasury investments are €4.0 million, higher than those of 2023 (€1.7 million).

Net financial expenses compared to debt excluding IFRS 16 represent 5.8% (4.1% in 2023).

The tax expense, calculated on the basis of the corporate tax and compared to net profit before tax, reflects an average effective tax rate of 26.1%, close to that of 2023 (25.9%).

Consequently, the group share of net profit increased by +49.2% and stood at €56.0 million (i.e. 3.1% of revenue), compared to €37.5 million (2.3% of revenue) in 2023. Earnings per share stood at €1.23 (+48.2%).

Free Cash Flow is positive across all three divisions of the Group thanks to working capital requirements being under control.

The financial balances remain robust with operational cash flow at €170.0 million (9.5% of revenue) which finances, in compliance with the criteria set by the global CSR plan, slightly higher CAPEX of €100.4 million (5.6% of revenue).

LISI AEROSPACE invested €54.4 million in 2024 to increase its production capacity in order to support the ramp-up of its customers and continue the modernization of its equipment, in particular with:

- the increase in manufacturing capacities for the screw, collar and hydraulic fittings product lines for the "Fasteners" segment, and forged parts and air intake lips for the "Structural Components" segment;
- the extension of the Saint-Ouen-l'Aumône site (France) in the "Fasteners" segment;
- the continuation of the relocation of the Bologne site to Chaumont in the "Structural Components" segment.

Actions to improve performance and modernize production resources were continued, particularly in the LISI AUTOMOTIVE division (€29.4 million of capex).

Examples include:

- orders for machining and testing equipment for the Čejč site (Czech Republic) for the production of a new generation of mechanical components intended for next-generation advanced driver assistance systems (ADAS);
- the transformation and re-establishment of the Lake Zurich site (United States) as per the Group's best

industrial standards with the creation of a logistics hub and a development center for future clipped fasteners for the North American market;

- the implementation of a new capacity tranche in Monterrey (Mexico) and Tangier (Morocco) to produce electrical cable channel and vehicle lightweight solutions.

CAPEX also remained high for LISI MEDICAL (€16.6 million) and focused on the extension of the Big Lake plant to cope with future growth and on increasing production capacities for new products such as:

- harmonic scalpels;
- developments in the minimally invasive surgery segment.

The level of working capital requirements is down in number of days for the third consecutive year despite the increase in work-in-progress inventories and the maintenance of strategic inventories of raw materials to meet uncertain supply times and secure the long-term increase in production levels in the LISI AEROSPACE division. It stands at 72 days of revenue (75 days in 2023) with inventories in number of days of revenue also falling (103 days in 2024 compared to 105 days in 2023).

Taking these aspects into account and in accordance with the objectives, the operating Free Cash Flow is definitely positive and stands at €57.7 million (3.2% of revenue).

Financial strength preserved after the Share Buyback Public Offering

Net debt stands at €488.5 million and includes €185.0 million of financing linked to the Share Buyback Public Offering and €111.0 million of debt relating to IFRS 16. It is down by €12.6 million and represents 48.6% of equity (53.4% as of December 31, 2023). Compared to EBITDA, the net debt ratio stands at 2.3x (2.8x as of December 31, 2023), well below the covenant authorized by the banking partners (3.5x).

The return on capital employed before taxes stands at 7.7%, an improvement compared to that of 2023 (6.3%).

Furthermore, annual depreciation tests did not reveal any loss of value.

The Board of Directors will propose for approval by the Ordinary General Meeting of shareholders to set the dividend at €0.39 per share for the 2024 financial year (€0.31 in 2023).

Outlook

The aeronautical development plan will drive the Group's growth with excellent long-term visibility. Medium-term uncertainties related to the evolution of the global automotive market or, in the shorter term, to the consequences of the strike in H2 2024 at Boeing in the United States could weigh on the dynamics of improving LISI's performance.

The Group carefully monitors the application of customs duties, not only upon entry into the United States, but also in other geographies where it operates. At this stage, the

vast majority of activity would not be affected, but it could be penalized if certain exemption systems previously in force were to disappear.

In an environment where inflationary pressures are dwindling and assuming a constant exchange rate and a limited impact of customs duties implemented by the United States, the Group aims to improve its benchmark financial indicators for the third consecutive financial year, including EBIT, and to resume generating positive Free Cash Flow.

Divisional management reports

LISI AEROSPACE

- Record revenue of €1,030.1 million (2023: €838.9 million) supported by strong activity across all segments of the aeronautics market;
- EBIT at €85.7 M (2023: €50.2 million), up for the third consecutive year, driven by the improvement in industrial productivity after the phase of strong recruitment and the impact of inflation on sales prices;
- Free Cash Flow tripled compared to 2023 (€20.8 million in 2024 compared to €7.0 million in 2023) in a context of significant growth and persistent difficulties in the raw materials supply chain.

Market

The good long-term outlook for the global commercial flight of the aeronautical market is reflected in high order levels among manufacturers, in particular at Airbus. Nevertheless, production rate increase ambitions have been postponed due to ongoing tensions throughout the supply chain. However, they are increasing for the Airbus A320 family (currently 58 aircraft, with a target of 75 by 2027). The strike at Boeing at the end of the 2024 fiscal

year led to the halting of the assembly of the B737 MAX, currently limited by the US administration to 38 aircraft per month, but did not have a significant impact on LISI AEROSPACE in 2024.

Orders for long-haul aircrafts, as well as the good performance of the helicopter and military market segments, provide long-term visibility.

Key figures as of December 31, 2024

In thousands of euros	2024	2023	Changes
Revenue	1,030.1	838.9	+22.8%
EBITDA	135.3	95.8	+41.3%
Current operating profit (EBIT)	85.7	50.2	+70.7%
Operating cash flow	91.6	66.5	+37.7%
Net CAPEX	(54.4)	(51.0)	+6.7%
Operating free cash flow	20.8	7.0	+13.8 M€
Registered employees at period end	6,279	5,871	+6.9%
Average full-time equivalent headcount	6,755	6,231	+8.4%

* Operating Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements.

** Including temporary workers.

Comments regarding business over the year

The LISI AEROSPACE division's annual revenue exceeds €1 billion for the first time since 2017 and reaches €1,030.1 million, up 22.8% on 2023. Q4 2024 represents the twelfth consecutive quarter of double-digit growth and stands at €287.9 million, (+28.4% on the same period of the previous financial year).

The "Fasteners" segment in Europe (+26.9%) will benefit the most from the ramp-ups of single-aisle aircraft and aeronautical activity in general. Its revenue has increased by more than 20.0% per year over the past three years. The "Fasteners" segment in North America also confirms its positive trend (+25.5%).

The "Structural Components" segment has doubled its growth in two years, displaying an increase of +16.0% in 2024 on 2023. The difficulties in sourcing raw materials and the problems of staff recruitment and training in certain employment areas are easing without disappearing completely.

Adjusted for currency effects and excluding scope effects, the LISI AEROSPACE division's revenue increased by +28.0% in Q4, representing organic growth of +22.8% for the whole of 2024.

Comments on results over the year

The division is gradually benefiting from volume increases, the pass-through of inflation into selling prices, and productivity improvements following the high recruitment phase of the previous two years.

The EBITDA thus increased by +1.7 point compared to 2023 and amounted to 13.1% of revenue. Current operating profit increased for the third consecutive year and amounted to €85.7 million in 2024. The current operating margin increased by 2.3 points compared to 2023 and stood at 8.3% of the division's revenue.

Backed by a good management of working capital requirements in a context of strong growth in activity and despite persistent tensions related to raw materials supplies, the operating free cash flow was multiplied by three compared to 2023 (€20.8 million in 2024 compared to €7.0 million in 2023).

Amounting to €54.4 million, investment levels remained strong (€51.0 million in 2023) and were dedicated to increasing production capacities in order to support the ramp-up of the division's customers and continue the modernization of equipment, notably:

- the increase in manufacturing capacities for the screw, collar and hydraulic fittings product lines for the "Fasteners" segment, and forged parts and air intake lipskins for the "Structural Components" segment;
- the extension of the Saint-Ouen-l'Aumône site (France) in the "Fasteners" segment;
- the continuation of the relocation of the Bologne site to Chaumont in the "Structural Components" segment.

Outlook

Demand is still strong in civil aeronautics and particularly in the Airbus ecosystem. It benefits from the dynamism of the maintenance market linked to the high level of traffic in the commercial aircraft fleet and a book-to-bill ratio (order / sales values) which remains significantly higher than 1. All other market segments – apart from Boeing – including helicopters and the military (15% of LISI AEROSPACE's revenue), are also very dynamic and well-oriented over the long term.

The LISI AEROSPACE division is therefore approaching the 2025 financial year with strong visibility on its order books. It will benefit from a revised sales price base after the finalization in 2024 of the last negotiations aimed at reflecting the effects of inflation in sales prices.

The points of attention will focus on:

- the adaptation to possible variations in Boeing demand due to inventory adjustments following the strike in H2 2024;
- the implementation of capacity resources ("Fasteners" segment) and improvements in industrial productivity

LISI AUTOMOTIVE

- The division's revenue amounts to €579.7 million, down 5.0% on 2023, penalized by the drop in global production of the division's main customers (-7.5%);
- The current operating margin is holding up and stands at 3.0% of sales, benefiting from actions to reduce fixed costs and the refocusing of the portfolio towards products with higher added value;

Market

Global light vehicle registrations were still up slightly, by +2.1% compared to 2023.

Worldwide sales, expressed in terms of number of registrations, were up slightly in all markets: +3.5% in North

("Structural Components" segment) to keep up with the overall acceleration in demand;

- the continued decline in inventory levels initiated in H2 2024;
- the securing of supplies of strategic raw materials.

- Free Cash Flow is positive for the ninth consecutive year, the division once again demonstrating its ability to quickly adapt working capital requirements to activity levels.

America, +1.1% in China and +0.9% in Europe. However, the division's main customers lost market share and saw their worldwide registrations decline.

Key figures as of December 31, 2024

In thousands of euros	2024	2023	Changes
Revenue	579.7	610.4	-5.1%
EBITDA	51.4	52.1	-1.3%
Current operating profit (EBIT)	17.2	21.7	-20.9%
Operating cash flow	39.3	39.1	+0.4%
Net CAPEX	(29.4)	(28.5)	+3.2%
Operating free cash flow	9.6	25.9	-16.3 M€
Registered employees at period end	3,076	3,202	-3.9%
Average full-time equivalent headcount	3,183	3,292	-3.3%

* Operating Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements.

** Including temporary workers.

Comments regarding business over the year

The LISI AUTOMOTIVE division's annual revenue stands at €579.7 million, down 5.0% on 2023. It is suffering from the effects of contractions in global production of its main customers (-7.5% on 2023) which began at the end of Q2 2024 and worsened in the last months of the year (-9.3% in H2).

Against this backdrop, the division nevertheless maintains very good momentum in taking orders for new products, which amount to approximately €71.0 million over the whole of 2024, or 12.4% of revenue (€73.0 million in 2023).

These orders are particularly well oriented in the "Clipped Solutions" segment in Europe and the United States and in the "Safety Mechanical Components" segment in the field of braking in particular. This reflects the portfolio's refocusing on products with higher added value undertaken by the LISI AUTOMOTIVE division for many years, as demonstrated by the planned sale of its French subsidiary LISI AUTOMOTIVE Nomel SAS.

Specializing in the manufacture of nuts by cold forging and washers by vertical cutting, the company, which posted revenue of €35.2 million in 2024, is expected to join the ZeroBaselInvest GmbH group on February 28, 2025. The subsidiary's income statement was consolidated for the entire financial year 2024 and the balance sheet was treated as of December 31, 2024 as a non-current asset held for sale in accordance with IFRS 5.

Q4 2024 revenue stands at €132.5 million (-6.5% on the same period of the previous financial year).

Adjusted for currency effects and excluding scope effects, the LISI AUTOMOTIVE division's revenue decreased by 6.7% in Q4, representing a 4.7% reduction for the whole of 2024.

Comments on results over the year

The EBITDA margin reached 8.9%, a 0.4-point increase on 2023. Cost adjustment measures (notably fixed costs) and the reorientation of the portfolio towards higher value-added products made it possible to offset the unfavorable effects of fluctuations in demand. The 0.6 point decrease in the current operating margin to 3.0% is partly attributable to differences in provisioning and reversals between the two fiscal years.

Operating Free Cash Flow was positive for the ninth consecutive fiscal year at €9.6 million (1.7% of revenue). Once again, the division was able to adapt working capital requirements and inventories to business levels. At €29.4 million, investments remained stable (€28.5 million in 2023) and concerned actions to improve performance and

modernize production resources. Examples include:

- orders for machining and testing equipment for the Čejč site (Czech Republic) for the production of a new generation of mechanical components intended for next-generation advanced driver assistance systems (ADAS);
- the transformation and re-establishment of the Lake Zurich site (United States) as per the Group's best industrial standards with the creation of a logistics hub and a development center for future clipped fasteners for the North American market;
- increased production capacity in Monterrey (Mexico) and Tangier (Morocco) to produce electrical cable trunking and vehicle lightening solutions.

Outlook

The slowdown in activity observed by the LISI AUTOMOTIVE division among its main customers is expected to continue during H1 of the 2025 financial year in a market experiencing profound technological and geographical changes.

The division has many assets that will enable it to adapt and continue to develop despite an uncertain environment. Examples include:

- the sustained pace of order taking for new high added-value products which confirms the division's positioning

in electromobility and its ability to quickly adapt its product ranges;

- the low residual exposure to combustion engines;
- the global coverage both in terms of revenue (70% of the LISI AUTOMOTIVE division's sales are intended for global equipment manufacturers) and geographical location (Europe, China, United States, Mexico or Morocco).

LISI MEDICAL

- Revenue consolidates in 2024 at €185.3 million (+1.8% on 2023) after two years of growth of over 20%;
- EBIT at €16.3 million is down compared to 2023, penalized by one-off items;

- For the second consecutive year, the level of Free Cash Flow reached one of its highest historical levels (€6.7 million) with CAPEX expenses remaining high.

Market

As the malfunctions caused by the pandemic have largely disappeared, the global medical implant market is back to a growth rate in line with its long-term trend.

Key figures as of December 31, 2024

In thousands of euros	2024	2023	Changes
Revenue	185.3	181.9	+1.8%
EBITDA	28.2	31.6	-10.8%
Current operating profit (EBIT)	16.3	20.8	-21.7%
Operating cash flow	23.1	26.8	-13.8%
Net CAPEX	(16.6)	(17.1)	-2.9%
Operating free cash flow*	6.7	8.0	-1.3M€
Registered employees at period end	812	846	-4.0%
Average full-time equivalent headcount**	857	890	-3.7%

* Operating Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements.

** Including temporary workers.

Comments regarding business over the year

The LISI MEDICAL division's revenue is up 1.8% on 2023, after two years of increases of more than 20%, and stands at €185.3 million. Added to this high comparison base are difficulties obtaining supplies of raw materials which disrupted production throughout the year.

The sales growth momentum (+51.9% in three years) is driven by new products launched by the division, whether in

orthopedic reconstruction or in the field of minimally invasive robotic surgery.

Adjusted for currency effects and excluding scope effects, the LISI MEDICAL division's revenue increased by 7.6% in Q4, representing organic growth of +1.7% for the whole of 2024.

Comments on results over the year

The EBITDA stood at €28.2 million (15.2% of revenue), down compared to 2023 (€31.6 million and 17.4% of revenue). The division had to effectively adapt its cost structure in the face of the decline in demand in the first quarter. Throughout the year, it was also faced with disruptions in the supply of raw materials, which temporarily had a negative impact on the organization of production.

The EBIT fell to €16.3 million (€20.8 million in 2023). At 8.8%, the current operating margin is down 2.7 points compared to 2023.

However, the strong adjustment of working capital requirements to the level of activity allowed the division to maintain a positive operating Free Cash Flow. At €6.7 million, it reached, for the second consecutive year, one of its highest levels ever (3.6% of revenue) with investments that remained high (€16.6 million) and which focused on the extension of the Big Lake plant to cope with future growth and increased production capacity for new products such as:

- harmonic scalpels;
- developments in the minimally invasive surgery segment.

Outlook

The long-term growth outlook for minimally invasive robotic surgery and orthopedic reconstruction remains positive. The division enjoys consistently strong order books. Priority will be given to the continued development of new products and the increase of production volumes

by relying on the Big Lake site (United States), the extension of which has been completed. The resolution of operational difficulties linked to material supply problems should provide support for the improvement of margins..

2 Consolidated financial statements

2.1 Income statement

(in thousands of euros)	Notes	12/31/2024	12/31/2023
REVENUE EXCL. TAX	3.5.1	1,794,050	1,630,444
Changes in inventories, finished products and production in progress		19,796	19,400
Total production		1,813,846	1,649,844
Other income		60,778	47,901
TOTAL OPERATING REVENUES		1,874,624	1,697,745
Consumed goods	3.5.2	(549,169)	(513,070)
Other purchases and external expenses	3.5.3	(424,353)	(385,508)
Taxes and duties		(10,848)	(9,509)
Employee benefits expense (including temps)	3.5.4	(678,425)	(611,461)
EBITDA		211,829	178,197
Depreciation		(104,250)	(100,903)
Net provisions		7,455	13,389
CURRENT OPERATING PROFIT (EBIT)		115,034	90,683
Non-recurring operating income and expenses	3.5.6	(23,094)	(4,312)
OPERATING PROFIT		91,940	86,371
Financing expenses and revenue on cash	3.5.7	(26,784)	(20,206)
Revenue on cash	3.5.7	4,557	1,652
Financing expenses	3.5.7	(31,341)	(21,858)
Other financial income and expenses	3.5.7	10,883	(5,415)
Other financial items	3.5.7	35,066	18,329
Other interest expenses	3.5.7	(24,183)	(23,744)
Taxes (including CVAE (Tax on Companies' Added Value))	3.5.8	(20,615)	(24,083)
PROFIT (LOSS) FOR THE PERIOD		55,424	36,667
Attributable as company shareholders' equity		56,006	37,533
Interest not granting control over the company		(582)	(866)
EARNINGS PER SHARE (IN €)	3.5.9	1.23	0.83
DILUTED EARNINGS PER SHARE (IN €)	3.5.9	1.20	0.81

2.2 Statement of comprehensive income

(in thousands of euros)	12/31/2024	12/31/2023
PROFIT (LOSS) FOR THE PERIOD	55,424	36,667
Elements not recyclable in result		
Revaluation of net liabilities (assets) of defined benefit plans (gross element)	2,132	(4,887)
Revaluation of net liabilities (assets) of defined benefit plans (tax impact)	(761)	781
Elements that can subsequently be recycled as a result		
Exchange rate differences resulting from foreign operations	23,873	(7,993)
Hedging instruments (gross element)	(1,713)	1,812
Hedging instruments (tax impact)	598	(656)
TOTAL OTHER PORTIONS OF GLOBAL EARNINGS FOR THE PERIOD, AFTER TAXES	24,129	(10,943)
TOTAL OVERALL INCOME FOR THE PERIOD	79,552	25,723
Attributable as company shareholders' equity	79,993	26,425
Interest not granting control over the company	(441)	(701)

Hedging instruments mainly relate to foreign exchange hedging instruments.

2.3 Consolidated statement of financial position

ASSETS (in thousands of euros)	Notes	12/31/2024	12/31/2023
NON-CURRENT ASSETS			
Goodwill	3.4	419,379	406,722
Other intangible assets	3.4	29,693	28,682
Tangible assets	3.4.1.2	765,416	746,880
Non-current financial assets	3.4.1.3	21,501	15,120
Deferred tax assets	3.4.10	44,913	44,193
Other non-current assets		123	85
TOTAL NON-CURRENT ASSETS		1,281,025	1,241,682
CURRENT ASSETS			
Inventories	3.4.2.1	468,174	437,323
Taxes - Claim on the state		12,360	14,112
Trade and other receivables	3.4.2.2	244,995	226,137
Cash and cash equivalents	3.4.2.3	191,660	139,312
TOTAL CURRENT ASSETS		917,190	816,884
Assets held for sale	3.3.1	12,068	
TOTAL ASSETS		2,210,283	2,058,566

TOTAL EQUITY AND LIABILITIES (in thousands of euros)	Notes	12/31/2024	12/31/2023
SHAREHOLDERS' EQUITY			
Capital stock	3.4.3	18,615	18,615
Treasury shares	3.4.3	(20,080)	(19,638)
Consolidated reserves	3.4.3	891,754	866,704
Conversion reserves	3.4.3	59,635	35,908
Other elements of comprehensive income	3.4.3	(6,295)	(6,554)
Profit (loss) for the period	3.4.3	56,006	37,533
TOTAL SHAREHOLDERS' EQUITY - GROUP'S SHARE	3.4.3	999,633	932,565
Interest not granting control over the company	3.4.3	6,567	6,171
TOTAL SHAREHOLDERS' EQUITY	3.4.3	1,006,200	938,736
NON-CURRENT LIABILITIES			
Non-current provisions	3.4.4	48,627	52,859
Non-current borrowings	3.4.6.1	547,121	494,383
Other non-currents liabilities	3.4.5	14,979	10,792
Deferred tax liabilities	3.4.10	47,973	48,897
TOTAL NON-CURRENT LIABILITIES		658,700	606,931
CURRENT LIABILITIES			
Current provisions	3.4.4	15,327	10,054
Current borrowings	3.4.6.1	133,070	145,989
Trade and other accounts payable		378,591	356,027
Taxes due		5,535	829
TOTAL CURRENT LIABILITIES		532,523	512,899
Liabilities directly associated with assets held for sale	3.3.1	12,860	–
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,210,283	2,058,566
* Including short-term banking facilities		39,390	21,959

2.4 Consolidated cash flow statements

(in thousands of euros)	12/31/2024	12/31/2023
OPERATING ACTIVITIES		
NET PROFIT (LOSS)	55,424	36,667
Elimination of net expenses not affecting cash flows:		
- Depreciation, Amortization and non-current financial provisions	109,768	100,368
- Changes in deferred taxes	(2,449)	8,765
- Incarné on disposals, provisions for liabilities and others	9,811	(11,465)
GROSS CASH FLOW MARGIN	172,554	134,335
Net changes in provisions associated with ongoing operations	(2,524)	(1,835)
OPERATING CASH FLOW	170,030	132,499
Income tax expense elimination	23,064	15,318
Elimination of net interest expense paid	28,770	17,986
Effect of changes in inventory	(29,314)	(37,605)
Effect of changes in accounts receivable and accounts payable	11,027	25,974
NET CASH PROVIDED BY OR USED FOR OPERATIONS BEFORE TAX	203,577	154,173
Tax paid	(16,737)	(17,256)
CASH PROVIDED BY OR USED FOR OPERATING ACTIVITIES (A)	186,841	136,916
INVESTMENT ACTIVITIES		
Acquisition of consolidated companies	–	–
Acquired cash	–	–
Acquisition of tangible and intangible fixed assets	(106,801)	(98,889)
Acquisition of financial assets	(5,112)	(3,000)
Change in granted loans and advances	(287)	(67)
TOTAL CASH USED FOR INVESTMENT ACTIVITIES	(112,200)	(101,956)
Divested cash	–	–
Disposal of consolidated companies	–	–
Disposal of tangible and intangible fixed assets	6,404	2,182
Disposal of financial assets	–	–
TOTAL CASH FROM DISPOSALS	6,404	2,182
CASH PROVIDED BY OR USED FOR INVESTMENT ACTIVITIES (B)	(105,796)	(99,774)
FINANCING ACTIVITIES		
Capital increase	840	4,106
Capital decrease (OPRA)	–	(204,552)
Dividends paid to Group shareholders	(14,195)	(7,996)
TOTAL CASH FROM EQUITY TRANSACTIONS	(13,355)	(208,441)
New long-term loans	101,700	267,585
New short-term loans	1,530	621
Repayment of long-term loans	(1,814)	(23,555)
Repayment of short-term loans	(103,098)	(79,445)
Net interest expense paid	(28,770)	(17,986)
TOTAL CASH FROM ON LOANS AND OTHER FINANCIAL LIABILITIES	(30,453)	147,221
CASH PROVIDED BY OR USED FOR FINANCING ACTIVITIES (C)	(43,808)	(61,220)
Effect of change in foreign exchange rates (D)	(2,119)	3,643
Effect of adjustments in treasury shares (D)	(200)	490
CHANGES IN CASH (A+B+C+D)	34,917	(19,945)
Cash at January 1 (E)	117,353	137,298
Cash at year-end (A+B+C+D+E)	152,270	117,353
Cash and cash equivalents	191,660	139,312
Short-term banking facilities	(39,390)	(21,959)
CLOSING CASH POSITION	152,270	117,353

2.5 Statement of changes in equity

(in thousands of euros)	Capital stock (Note 3.4.3.1)	Capital-linked premiums	Treasury shares	Consolidated reserves	Conversion reserves	Other elements of comprehensive income	Profit for the period, Group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AT JANUARY 1, 2023	21,646	75,329	(20,135)	941,394	44,061	(3,599)	56,960	1,115,656	2,770	1,118,426
Profit (loss) for the period N (a)	-	-	-	-	-	-	37,533	37,533	(866)	36,667
Translation differences (b)	-	-	-	-	(8,153)	-	-	(8,153)	160	(7,993)
Payments in shares	-	-	-	2,302	-	-	-	2,302	-	2,302
Capital increase	-	-	-	-	-	-	-	-	4,102	4,102
Capital decrease (OPRA)	(3,030)	(75,329)	-	(126,193)	-	-	-	(204,552)	-	(204,552)
Restatement of treasury shares	-	-	497	43	-	-	-	540	-	540
Revaluation of net liabilities (assets) of defined benefit plans (c)	-	-	-	-	-	(4,106)	-	(4,106)	-	(4,106)
Appropriation of N-1 earnings	-	-	-	56,960	-	-	(56,960)	-	-	-
Dividends distributed	-	-	-	(7,996)	-	-	-	(7,996)	-	(7,996)
Restatement of financial instruments (d)	-	-	-	-	-	1,150	-	1,150	5	1,155
Various	-	-	-	191	-	-	-	191	-	191
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2023	18,615	-	(19,638)	866,704	35,908	(6,554)	37,533	932,565	6,171	938,736
including total income and expenses reported for the year (a) + (b) + (c) + (d)	-	-	-	-	(8,153)	(2,955)	37,533	26,425	(701)	25,723
SHAREHOLDERS' EQUITY AT JANUARY 1ST, 2024	18,615	-	(19,638)	866,704	35,908	(6,554)	37,533	932,565	6,171	938,736
Profit (loss) for the period N (a)	-	-	-	-	-	-	56,006	56,006	(582)	55,424
Translation differences (b)	-	-	-	-	23,727	-	-	23,727	146	23,873
Payments in shares	-	-	-	1,871	-	-	-	1,871	-	1,871
Capital increase	-	-	-	-	-	-	-	-	837	837
Capital decrease (OPRA)	-	-	-	-	-	-	-	-	-	-
Restatement of treasury shares	-	-	(442)	(80)	-	-	-	(522)	-	(522)
Revaluation of net liabilities (assets) of defined benefit plans (c)	-	-	-	-	-	1,371	-	1,371	-	1,371
Appropriation of N-1 earnings	-	-	-	37,533	-	-	(37,533)	-	-	-
Dividends distributed	-	-	-	(14,195)	-	-	-	(14,195)	-	(14,195)
Restatement of financial instruments (d)	-	-	-	-	-	(1,111)	-	(1,111)	(5)	(1,117)
Various	-	-	-	(79)	-	-	-	(79)	-	(79)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2024	18,615	-	(20,080)	891,754	59,635	(6,295)	56,006	999,633	6,567	1,006,200
including total income and expenses reported for the year (a) + (b) + (c) + (d)	-	-	-	-	23,727	260	56,006	79,993	(441)	79,552

3 Notes to the financial statements

3.1 Information on the Group and highlights of the fiscal year

LISI S.A. (hereinafter referred to as "the Company") is a société anonyme (public limited company) under French law, listed on the Paris Stock Exchange, whose head office is at the following address: "6 rue Juvénal Viellard, CS 70431 GRANDVILLARS, 90008 BELFORT Cedex".

The consolidated financial statements of the Group for the fiscal year ended December 31, 2024, include the Company LISI S.A. and its subsidiaries (which are together referred to as "the Group").

The LISI Group's main business activity is the manufacturing of multifunctional fasteners and assembly components for three business sectors: aerospace, automotive, and medical.

Highlights of the year:

Exclusive negotiation with ZeroBaselInvest GmbH for the sale of its French subsidiary LISI AUTOMOTIVE NOMEL SAS

The LISI Group, in its press release of December 18, 2024, announced that ZeroBaselInvest GmbH had submitted to its subsidiary LISI AUTOMOTIVE a binding offer to acquire 100% of the shares of its subsidiary LISI AUTOMOTIVE NOMEL, specializing in the manufacture of cold forging bolts and vertical cutting washers, notably for the automotive and industrial/distribution markets.

This subsidiary, located in the municipality of La Ferté Fresnel (61) in France, generated revenue of €35.2 million in 2024, relying on significant positions among car manufacturers (Stellantis, Renault, VW, Nissan), distributors for industry, and manufacturers of bolts and cages. The project provides that LISI AUTOMOTIVE's subsidiaries will continue to purchase washers and bolts intended for its customers' automotive applications.

This acquisition project completes the range of bolts produced by ZeroBaselInvest GmbH through its subsidiary ZB M+F acquired from LISI AUTOMOTIVE FORMER in 2020.

This sale will enable the LISI AUTOMOTIVE division to continue to refocus its activities on fastening solutions and high value-added mechanical components for its automotive customers.

This transaction was finalized on February 28, 2025.

The impacts on the LISI Group's consolidated financial statements at 12/31/2024 are detailed in Section "3.3 - Scope of consolidation".

Addressing climate, water and biodiversity risks

The risks associated with the climate transition are monitored at the highest level of the organization, like all other business risks. The "climate transition" risk was introduced in the risk mapping in 2019.

LISI has comprehensively reassessed the climate transition risks in 2023 by applying the Carbon Disclosure Project (CDP) methodology. For each risk and each opportunity, various criteria were assessed and quantified, including: frequency, severity, potential financial impact, estimated cost of risk control.

An exhaustive list of risks and opportunities was drawn up and the most significant risks were published in the response to the CDP questionnaire.

The consideration of the challenges related to the climate, water and biodiversity has not, at this stage, had a material impact on the main judgments and estimates necessary for the preparation of the financial statements.

The risk categories considered are as follows:

- Existing and future regulations,
- Technology,
- Market development,
- Reputation / image,
- Physical (occasional or chronic), associated with extreme weather events.

Some examples of identified risks:

- Exposure to extreme weather events,
- Emerging taxonomic regulation,
- Increase in insurance premiums,
- The growing demand from customers for components whose production and use reduce greenhouse gas emissions.

The categories of opportunities considered are as follows:

- Resource efficiency,
- Energy source,
- Products and services,
- Markets,
- Resilience.

Some examples of opportunities identified:

- Facilitated access to renewable energies,
- Reduced returns on investment for energy sobriety projects,
- The development of new parts for new customer markets (electric vehicles, low-carbon aircraft, etc.).

Events after the reporting period:

No event occurred after the reporting period that could have had a significant impact on the close of the 2024 fiscal year.

The consequences of the finalization of LISI AUTOMOTIVE Nomel's sale agreements in 2025 were anticipated in 2024.

3.2 Accounting principles and policies

The financial statements drawn up as at December 31, 2024, were approved by the Board of Directors on February 26, 2025, and will be submitted to the Ordinary General Meeting on April 25, 2025.

Background to the preparation of the consolidated financial statements for the 2024 fiscal year

Pursuant to European Regulation 1606/2002 of July 19, 2002, the LISI Group's consolidated financial statements were prepared in accordance with the

International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union as of December 31, 2024.

Standards, amendments and interpretations adopted in the European Union and mandatory for fiscal years beginning on or after January 1, 2024

No standard, interpretation or amendment to mandatory standards was applied by the Group in the financial statements as at December 31, 2024.

New standards and interpretations of subsequent application approved by the European Union

No standard, interpretation or amendment to existing standards has been applied early by the Group in the financial statements as at December 31, 2024.

Pillar 2 Directive

The OECD's ongoing work concerns, in particular, the introduction of a minimum global tax rate of 15% on the profits of multinational companies falling within the scope of the system. This system ("Pillar 2 GloBE rules") becomes reality through the inclusion in the Finance Act for 2024 of an entire new chapter in the French General Tax Code implementing these measures, which apply from 2024.

This applies, with some exceptions, to groups with revenue of at least €750 million, which must calculate an effective tax rate (ETR) in each of their countries of operation. To determine this ETR by country, aggregates and data points from the consolidated financial statements are necessary. The starting point is the reporting package of the groups before elimination of intra-group flows.

If the ETR of a country is less than 15%, an additional tax ("Top-up tax") is due. Its rate will be equal to the difference between 15% and the ETR of that country. Its base is the result calculated according to the rules of the OECD less, where applicable, a routine income corresponding to the exercise of an actual activity in the territory (calculated on the basis of salaries and tangible assets).

In 2024, the LISI Group continued to study the implementation of the Pillar 2 reform.

Based on the information gathered at this stage, no significant impact has been identified in each of the countries where the LISI Group operates in terms of the additional income tax expense related to this reform.

Basis for the preparation of the financial statements

Financial statements are given in thousands of euros, except where otherwise indicated. They are prepared on the basis of historical cost, with the exception of the following assets and liabilities which have been measured at their fair value: financial derivatives and financial instruments held for trading, liabilities from cash-settled share-based payment transactions. Non-current assets held for sale are evaluated at the lower of their carrying amount and the fair value less costs of disposal.

According to IFRS standards, certain accounting options involve taking positions based on judgment of assumptions that have an impact on the amounts of assets or liabilities, income, or expenses, particularly regarding the following elements:

- terms of depreciation of fixed assets (Notes 3.4.1.1 b and 3.4.1.2),
- evaluations retained for impairment tests (Note 3.4.1.1 a),
- the valuation of provisions and pension commitments (Note 3.4.4),

- valuation of financial instruments at fair market value (Note 3.6.5),
- valuation of share-based payments (Note 3.6.2),
- recognition of deferred tax assets (Note 3.5.8).

These judgments and assumptions take into account the specific risks of the sectors concerned by LISI's activities, as well as general risks related to the economic context.

Management continuously reviews its estimates and assessments based upon past experience and on factors considered reasonable that form the basis of its assessment for the book values of assets and liabilities. The impact of changes to accounting estimates is recognized during the period of change only where it affects this period or during the period of change and successive periods if these are also impacted by the change.

These assumptions are broken down by division on the basis of information drawn from independent experts (actuaries, etc.).

Identified sensitivities

The main sensitivities identified and tracked by management concern the data and assumptions related to the implementation of the impairment tests. These assumptions are consolidated through a collection process of forecast information from major players in the sector (market assumptions) and actuaries (rate assumptions).

Consolidation principles

A subsidiary is an entity controlled by its parent company. In accordance with IFRS 10, an investor controls an investee if and only if all of the following conditions are satisfied:

- it holds power over the investee;
- it is exposed or entitled to variable returns because of its relationship with the investee;

- it has the ability to exercise its power over the investee in such a way as to affect the number of returns that it obtains.

The list of consolidated companies is provided in Note 3.3.2, as at December 31, 2024.

Transactions excluded from the consolidated financial statements

Balance sheet balances, unrealized profits and losses, and income and costs arising from intra-group transactions have been excluded in preparing the consolidated financial statements.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that they do not represent an impairment loss.

Conversion methods for items in foreign currency

Transaction in foreign currency

Transactions in foreign currencies are recorded in the books in the operating currency at the rate of exchange on the date of the transaction. At the year-end, the monetary assets and liabilities in foreign currencies are converted into the operating currency at the rate in force at the year end.

Exchange rate differences arising from conversions are recognized in income or expenses, with the exception of differences from foreign currency loans that are a hedge on a net investment in a foreign entity, which are recognized in the conversion reserve as a distinct element of shareholders' equity. They appear on the income statement upon the exit of that business.

Translation of the financial statements of consolidated subsidiaries

The financial statements of subsidiaries whose operating currency is not the euro are translated at the exchange rate in force at the end of the fiscal year for the balance sheet and at the average exchange rate (considered as an approximate value of the exchange rate at the date of the

transaction in the absence of significant fluctuations) for the income statement and statement of cash flows. Exchange rate differences arising from conversions appear in the conversion reserve, as a distinct element of shareholders' equity.

Definition of the "current" and "non-current" concepts in the balance sheet

Assets and liabilities whose maturity is less than the operating cycle, which is generally 12 months, are classified as current assets and liabilities. If maturity is later than this, they are classified as non-current assets and liabilities.

Overview of the income statement

The Group has opted to continue showing the following totals, which are not strictly accounting ones, and whose definitions are as follows:

- Total Production including revenue plus changes in inventories of work-in-progress and finished goods.
- Current Gross Operating Profit (EBITDA) includes operating income from which consumption, other purchases and external expenses, taxes and payroll expenses are deducted. It does not include increases to and reversals of depreciation, amortization and provisions, net financial expenses or corporate tax (including CVAE – tax on companies' added value).
- Current Operating Income (EBIT) includes EBITDA as well as increases to and reversals of depreciation, amortization and provisions.

- Operating Income includes EBIT and other non-current operating income and expenses. These non-current items are strictly defined as significant income and expenses resulting from events or transactions that are clearly distinct from the company's ordinary activities and that are not expected to reoccur on a regular basis, owing to:
 - their unusual nature, and
 - their random occurrence, such as expenses or compensation received for losses, costs resulting from shutdowns, restructurings, or site relocations, goodwill impairment, and capital gains and losses on the sale of non-operating, tangible and intangible assets.

Indicators

The Group uses the indicators defined below:

- **Free Cash Flow:** Operating cash flow minus net industrial CAPEX and changes in working capital requirements (see Note 3.4.2.3 Cash and cash equivalents).
- **Return on invested capital (ROCE):** Ratio of EBIT to capital employed (Shareholders' equity + Net Financial Debt (Note 3.4.6.3) at the end of the period).
- **Return on equity (ROE):** Ratio of net profit (loss) to total shareholders' equity.
- **Gearing:** ratio of Net Debt/Consolidated Equity attributable to owners of the parent.
- **Revalued Net Assets (RNA):** Average of $[(1.2 \times \text{Group Revenue}) + (8 \times \text{Group EBITDA}) + (12 \times \text{Group EBIT})]$ – Average Group Net Debt for years N and N-1.

3.3 Scope of consolidation

3.3.1 Assets intended for sale during the financial year 2024 fiscal year

On December 18, 2024, ZeroBaseInvest GmbH submitted to LISI AUTOMOTIVE a binding offer to acquire 100% of the shares of its subsidiary LISI AUTOMOTIVE Nomel, specializing in the manufacture of cold forging bolts and washers by vertical cutting, notably for the automotive and industrial/distribution markets.

This acquisition project completes the range of bolts produced by ZeroBaseInvest GmbH through its subsidiary ZB M+F acquired from LISI AUTOMOTIVE Former in 2020.

This sale will enable the LISI AUTOMOTIVE division to continue to refocus its activities on fastening solutions and high value-added mechanical components for its automotive customers.

LISI AUTOMOTIVE Nomel generated revenue of €35.2 million, i.e. 2% of the Group's consolidated revenue.

As of December 31, 2024, in accordance with IFRS 5, assets and liabilities held for sale were measured at their fair value less costs to sell, resulting in an impairment of property, plant and equipment and intangible assets of €6.2 million and in an additional provision for expense at Group level in the same amount. All of these expenses were recorded in other non-recurring operating expenses (see Note 3.5.6).

Assets and liabilities held for sale

(in thousands of euros)	12/31/2024
Net intangible assets	62
Net tangible fixed assets	6,123
Depreciation of fixed assets	(6,186)
Total net fixed assets	–
Gross stocks	7,960
Stock depreciation	(1,065)
Net stocks	6,895
Gross trade receivables	4,599
Customer depreciation	(60)
Net customers	4,539
Other debtors	635
Assets held for sale	12,068
Current and non-current provisions	3,528
Current and non-current financial debts	1,238
Trade payables and other creditors	7,892
Deferred tax liabilities	202
Liabilities directly related to asset groups of items for sale	12,860

3.3.2 Scope of consolidation at the end of the fiscal year

			12/31/2024		12/31/2023	
Companies	Head office	Country	% of control	% of interests	% of control	% of interests
HOLDING						
LISI S.A.	Grandvillars (90)	France	Parent company		Parent company	
LISI GLOBAL SERVICES (GIE)	Grandvillars (90)	France	AD HOC company		AD HOC company	
DIVISION LISI AEROSPACE						
BLANC AERO INDUSTRIES GmbH	Hamburg	Germany	100.00	100.00	100.00	100.00
LISI AEROSPACE Canada Corp	Dorval	Canada	100.00	100.00	100.00	100.00
HI-SHEAR CORPORATION	Torrance (California)	United States	100.00	100.00	100.00	100.00
HI-SHEAR Holdings LLC	Torrance (California)	United States	100.00	100.00	100.00	100.00
LISI AEROSPACE North America, Inc	Torrance (California)	United States	100.00	100.00	100.00	100.00
LISI Holdings North America	Torrance (California)	United States	100.00	100.00	100.00	100.00
The MONADNOCK Company	City of Industry (California)	United States	100.00	100.00	100.00	100.00
AIRMON HOLDINGS 1 SAS	Paris 12 th arrondissement (75)	France	100.00	100.00	100.00	100.00
BLANC AERO INDUSTRIES SAS	Paris 12 th arrondissement (75)	France	100.00	100.00	100.00	100.00
BLANC AERO TECHNOLOGIES SAS	Paris 12 th arrondissement (75)	France	100.00	100.00	100.00	100.00
CREUZET AERONAUTIQUE SAS	Marmande (47)	France	100.00	100.00	100.00	100.00
LISI AEROSPACE FORGED INTEGRATED SOLUTIONS	Bologne (52)	France	100.00	100.00	100.00	100.00
LISI AEROSPACE ADDITIVE MANUFACTURING	Ayguemorte-les-Graves (33)	France	100.00	100.00	100.00	100.00
LISI AEROSPACE STRUCTURAL COMPONENTS	Paris 12 th arrondissement (75)	France	100.00	100.00	100.00	100.00
LISI AEROSPACE SAS	Paris 12 th arrondissement (75)	France	100.00	100.00	100.00	100.00
BLANC AERO INDUSTRIES UK Ltd	Rugby	UK	100.00	100.00	100.00	100.00
ANKIT Fasteners Pvt Ltd	Bangalore	India	53.76	53.76	53.76	53.76
LISI AEROSPACE India Pvt Ltd	Bangalore	India	100.00	100.00	100.00	100.00
LIXUS Industrie	Tangier	Morocco	100.00	100.00	100.00	100.00
CREUZET POLSKA Sp. Z o o	Sedziszow Malopolski	Poland	70.00	70.00	70.00	70.00
Fastener Tecnology Bağlantı Elemanları San. Tic. A.Ş.	Izmir	Turkey	100.00	100.00	100.00	100.00
B&E Manufacturing	Garden Grove (California)	United States	100.00	100.00	100.00	100.00

Companies	Head office	Country	12/31/2024		12/31/2023	
			% of control	% of interests	% of control	% of interests
DIVISION LISI AUTOMOTIVE						
LISI AUTOMOTIVE KKP GmbH	Mellrichstadt	Allemagne	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE KKP GmbH & CO KG	Mellrichstadt	Allemagne	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE KNIPPING Verbindungstechnik GmbH	Kierspe	Allemagne	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Mecano GmbH	Heidelberg	Allemagne	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE (HEBEI) CO., Ltd	Zhuozhou	Chine	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE (SHANGHAI) CO., Ltd	Shanghai	Chine	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE KNIPPING Espana S.A.	Madrid	Espagne	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE LLC	Laredo	États-Unis	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Former SAS	Delle (90)	France	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Nomel SAS	La Ferté Fresnel (61)	France	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Rapid SAS	Puiseux Pontoise (95)	France	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE SAS	Delle (90)	France	100.00	100.00	100.00	100.00
LISI JIEHUA AUTOMOTIVE Co. Ltd	Hong Kong	Hong Kong	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Monterrey SA de CV	Monterrey	Mexique	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Form a.s	Cejc	République tchèque	100.00	100.00	100.00	100.00
LISI Otomotiv Sanayi ve Ticaret Limited Sirketi	Izmir	Turquie	100.00	100.00	100.00	100.00
Termax Compagny	Lake Zurich	États-Unis	100.00	100.00	100.00	100.00
Termax International Holdings LLC	Lake Zurich	États-Unis	100.00	100.00	100.00	100.00
TMX Canada Corp.	Windsor	Canada	100.00	100.00	100.00	100.00
Termax Mexico	Quereittaro	Mexique	100.00	100.00	100.00	100.00
Termax Fastener Systems	Suzhou	Chine	100.00	100.00	100.00	100.00
Termax Fasteners Systems (Shanghai Branch)	Suzhou	Chine	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE TANGER	Tanger	Maroc	100.00	100.00	100.00	100.00
LISI AUTOMOTIVE Hi-Vol Inc	Livonia	États-Unis	100.00	100.00	100.00	100.00
DIVISION LISI MEDICAL						
LISI MEDICAL REMMELE Inc	Minneapolis	États-Unis	100.00	100.00	100.00	100.00
LISI MEDICAL FASTENERS SAS	Neyron (01)	France	100.00	100.00	100.00	100.00
LISI MEDICAL ORTHOPAEDICS SAS	Hérouville Saint-Clair (14)	France	100.00	100.00	100.00	100.00
LISI MEDICAL SAS	Neyron (01)	France	100.00	100.00	100.00	100.00

3.4 Breakdown of statement of financial position

3.4.1 Non-current assets

Method used to test the impairment of tangible and intangible fixed assets

Goodwill and intangible fixed assets with an indefinite lifespan are submitted to an impairment test at each annual close and whenever events or market-changing modifications indicate impairment. Other intangible fixed assets and property, plant and equipment are also subject to such a test at any time when there is a risk of impairment.

The method used involves comparing the recoverable value of each of the Group's cash-generating units with the net book value of the corresponding assets (including the goodwill).

Recoverable value is defined as: whichever is the higher out of the realizable value (less the costs of disposal) and the value in use. The latter is calculated by discounting expected future cash flows using forecast cash flows which are consistent with budget data and four-year business plans approved by the Board of Directors. Beyond the fifth year, the terminal value is calculated on the basis of a capitalization to infinity of the cash flows. The key assumptions relate in particular to the evolution of revenue based on the order book and the master contracts signed by the Group, if applicable, the operating profit rate, the renewal CAPEX rate, and the determination of factors that may affect the working capital. The assumptions are in particular established on the basis of observations made during previous activity cycles in the various lines of business, as well as in external market surveys and the observation of the sensitivity of the contractual data for the environment of each division. It is specified that these assumptions are the best estimate possible of the market situation at the time they were prepared, and that they take

into consideration the market trends for the years 2025 to 2028. The discount rate applied reflects the market's current assessment of the time value of money and the risks specific to the asset or the group of assets. The determination of the infinite growth rate and the discounting rates used on the different combinations of CGUs was carried out by an independent expert.

The realizable value is defined as the sum which could be obtained by selling the asset or group of assets in conditions of normal competition where all parties are fully informed and consenting, less the costs of disposal. These values are determined on the basis of market data (comparison with similar listed companies, value assigned in recent transactions and stock market prices) or, failing that, on the basis of discounted market cash flows.

If the recoverable value is lower than the net book value for the asset or group of assets tested, the discrepancy is recognized as impairment. In the case of a group of assets, it should preferably be classified as a reduction in goodwill.

Impairment losses recorded on goodwill are irreversible.

To carry out impairment tests on goodwill, the Group has selected a strategic combination of Business Units (B.U.) that correspond to the segmentation and reporting structure of the LISI Group, namely, the three divisions LISI AEROSPACE, LISI AUTOMOTIVE and LISI MEDICAL.

To carry out impairment tests on the other intangible assets and property, plant and equipment, analysis at Business Group (BG) level must be the rule. The BG corresponds to a sub-segmentation of BUs by business line.

3.4.1.1 - Intangible assets

a) Goodwill

Method used

In line with IFRS 3, business combinations are recognized in the accounts using the acquisition method. This method requires that at the first consolidation of any entity over which the Group has direct or indirect control, the assets and liabilities acquired (and any potential liabilities assumed) should be recognized at their acquisition-date fair value. The valuation at this date corresponds to the difference between the consideration transferred from the business combination and the share of LISI's interest in the fair value of the identifiable assets and liabilities.

For acquisitions prior to January 1, 2004, goodwill remains at its presumed cost, *i.e.* the net amount recognized in the accounts under the previous accounting framework, minus depreciation.

Since that date, goodwill is measured at cost less any accumulated impairment losses. It is allocated to cash generating units or groups of cash-generating units and is not amortized but is tested for impairment at least once a year according to the method described in Section 3.4.1.

Statement of goodwill at closing:

(in thousands of euros)

Goodwill

GROSS GOODWILL AT DECEMBER 31, 2023	406,722
Impairment over financial year 2023	
NET GOODWILL AT DECEMBER 31, 2023	406,722
Increase	
Decrease	
Changes in foreign exchange rates	12,658
GROSS GOODWILL BEFORE IMPAIRMENT AT DECEMBER 31, 2024	419,379
Impairment as of December 31, 2024	
NET GOODWILL AT DECEMBER 31, 2024	419,379

The exchange rate changes are mainly due to currency translation adjustments for the US entities held by each division.

The net amount of goodwill breaks down as follows:

12/31/2024				
In millions of euros				
	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	TOTAL LISI GROUP
NET GOODWILL	201.9	134.2	83.3	419.4
INTANGIBLE FIXED ASSETS				
with indefinite useful lives	None	None	None	None
Trademarks	None	None	None	None
Result at the impairment test	No loss of value	No loss of value	No loss of value	

12/31/2024			
	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL
KEY ASSUMPTIONS			
Cash flow within one year	Forecasts	Forecasts	Forecasts
Cash flow within four years	4-year strategic plan	4-year strategic plan	4-year strategic plan
Discount rate after tax	8.58%	8.10%	7.86%
Growth rate of flows not covered by the budget and strategic assumptions	1.93%	1.93%	1.93%

12/31/2023				
In millions of euros				
	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	TOTAL LISI GROUP
NET GOODWILL	196.4	129.7	80.5	406.7
INTANGIBLE FIXED ASSETS				
with indefinite useful lives	None	None	None	None
Trademarks	None	None	None	None
Result at the impairment test	No loss of value	No loss of value	No loss of value	

12/31/2023			
	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL
KEY ASSUMPTIONS			
Cash flow within one year	Forecasts	Forecasts	Forecasts
Cash flow within four years	4-year strategic plan	4-year strategic plan	4-year strategic plan
Discount rate after tax	8.19%	8.10%	7.33%
Growth rate of flows not covered by the budget and strategic assumptions	2.00%	2.00%	2.00%

An analysis of the situation at December 31, 2024, shows that there was no loss of value to be recognized during the fiscal year. The rates used to carry out the impairment tests are subject to a study carried out by an external firm.

A comparable analysis was carried out on the main aggregates included in the Group's strategic plan, which was approved by the Board of Directors on December 5, 2024. The following items are included in the impairment tests:

- The updated revenue forecasts include a safety margin,
- The variable expenses are adjusted according to the activity,
- The updated EBIT forecasts include the improvement in productivity that will be implemented over the entire duration of the strategic plan,
- The tax rates used take into account the tax impacts related to the use of tax loss carryforwards by the subsidiaries when they become profitable again.

The LISI AEROSPACE and LISI MEDICAL divisions are experiencing growth prospects reflected in the four-year financial forecasts, which leads to a significant margin between the calculated utility value in use and the net assets at the end of December.

For the LISI AUTOMOTIVE division, which remains under more pressure in the current economic context, positive results and prospects are materializing over the duration of the strategic plan, thanks to all the actions implemented and reflected in it.

Tests of sensitivity to the assumptions made were implemented and concerned the main indicators in the calculations of the valuation tests: discount rate, infinite growth rate, elements contributing to cash flows.

Results as of December 31, 2024, are as follows:

	LISI AEROSPACE		LISI AUTOMOTIVE		LISI MEDICAL	
	Rate setting the value to zero	Change in relation to the assumptions used	Rate setting the value to zero	Change in relation to the assumptions used	Rate setting the value to zero	Change in relation to the assumptions used
Discount rate	13.7%	5.1%	8.5%	0.4%	10.1%	2.2%
Infinite growth rate	-7.4%	-9.3%	1.4%	-0.6%	-1.2%	-4.8%
Items contributing cash flow	53.2%	-46.8%	-93.7%	-6.3%	69.6%	-30.5%

Results as of December 31, 2023, are as follows:

	LISI AEROSPACE		LISI AUTOMOTIVE		LISI MEDICAL	
	Rate setting the value to zero	Change in relation to the assumptions used	Rate setting the value to zero	Change in relation to the assumptions used	Rate setting the value to zero	Change in relation to the assumptions used
Discount rate	10.8%	2.6%	8.9%	0.8%	11.4%	4.1%
Infinite growth rate	-2.1%	-4.1%	0.9%	-1.2%	-4.1%	-6.1%
Items contributing cash flow	68.5%	-31.5%	88.4%	-11.6%	52.3%	-47.7%

b) Other intangible assets

Concessions, trademarks, and software programs are recognized at historic cost and are subject to a depreciation plan. Intangible fixed assets acquired through a business combination are recognized at their acquisition date fair value.

Intangible assets with finite useful lives are subject to depreciation over this period, while intangible assets with indefinite useful lives are subject to an impairment test for every new balance sheet.

Depreciation is recognized as an expense using the straight-line method over the estimated useful life of the intangible fixed assets except when this is indefinite.

Estimated useful lives are as follows:

- Trademarks: 10-20 years
- Software programs: 3-5 years

Statement of other intangible assets at close:

(in thousands of euros)	Concessions, patents and similar rights	Other intangible fixed assets	TOTAL
GROSS VALUES AT DECEMBER 31, 2023	79,917	51,835	131,752
Acquisitions	3,538	537	4,075
Disposals	(5,848)		(5,848)
Other changes	2,204	372	2,576
Assets intended for sale	(3,429)	(99)	(3,528)
Exchange rate differences	(4)	743	739
GROSS VALUES AT DECEMBER 31, 2024	76,378	53,388	129,766
DEPRECIATION AT DECEMBER 31, 2023	69,264	33,807	103,071
[Increase in] Depreciation and amortization	3,347	2,588	5,935
Depreciation reversals (disposals)	(5,855)		(5,855)
Other changes			
Assets intended for sale	(3,367)	(161)	(3,528)
Exchange rate differences	(7)	458	451
DEPRECIATION AT DECEMBER 31, 2024	63,382	36,692	100,074
NET VALUES AT DECEMBER 31, 2024	12,995	16,697	29,693

The disposal of fixed assets for a gross amount of €5.8 million and a carrying amount of zero is explained by the scrapping of software acquired more than 10 years ago and which has become obsolete due to current IT developments.

The assets held for sale lines corresponding to the intangible assets of LISI AUTOMOTIVE Nomel are presented under assets held for sale.

3.4.1.2 - Tangible assets**a) Tangible assets wholly owned**

Property, plant, and equipment are recorded at diminished cost with accumulated depreciations and impairments. The cost of an asset produced by the Group for itself includes the costs of raw materials, direct manpower, and an estimate, if applicable, of costs related to the removal and dismantling of the asset and the repair of the site at which it is located, along with an appropriate share of the general production costs.

When the components of tangible fixed assets have different useful lives, they are recorded as separate property, plant, and equipment, as per the component's method.

When calculating the book value of a tangible fixed asset, the Group recognizes the cost of replacing a component of this tangible fixed asset at the time when the cost is incurred, if it is likely that future economic benefits associated with this asset will flow to the Group and if its cost can be reliably estimated. All ongoing servicing and maintenance costs are recognized as an expense when they are incurred.

Depreciation is recognized as an expense using the straight-line method over the estimated useful life for each component of a tangible fixed asset.

Land is not depreciated.

Estimated useful lives are as follows:

- buildings: 33 years;
- plant and machinery: 10-15 years;
- fixtures and fittings: 10-15 years;
- transport equipment: 5 years;
- equipment and tools: 10-20 years;
- office equipment: 5 years;
- office furniture: 10 years;
- IT equipment: 5 years.

Statement of tangible assets wholly owned at close

(in thousands of euros)	Land	Buildings	Technical facilities, equipment and tools	Other intangible fixed assets	Current assets	TOTAL
GROSS VALUES AT DECEMBER 31, 2023	24,202	270,804	1,395,213	95,287	70,162	1,855,668
Acquisitions		485	4,930	4,889	89,895	100,199
Disposals	(122)	(2,233)	(21,602)	(3,238)	(200)	(27,395)
Other changes	(1)	2,283	63,055	(808)	(63,523)	1,006
Assets intended for sale		(5,147)	(36,966)	(3,650)	(135)	(45,898)
Exchange rate differences	256	2,644	20,191	284	1,265	24,639
GROSS VALUES AT DECEMBER 31, 2024	24,335	268,836	1,424,821	92,764	97,463	1,908,212
DEPRECIATION AT DECEMBER 31, 2023	1,303	139,557	1,008,770	70,761	209	1,220,600
[Increase in] depreciation and amortization	95	11,124	64,170	10,688	687	86,764
Depreciation reversals (disposals)		(2,341)	(15,470)	(2,910)	(155)	(20,876)
Other changes			698	(698)		
Assets intended for sale		(3,969)	(32,377)	(9,552)		(45,898)
Exchange rate differences		1,175	12,804	238		14,217
DEPRECIATION AT DECEMBER 31, 2024	1,398	145,545	1,038,595	68,527	741	1,254,807
NET VALUES AT DECEMBER 31, 2024	22,937	123,291	386,226	24,237	96,723	653,411

Investments are financed in accordance with the criteria set by the overall CSR plan.

LISI AEROSPACE invested €54.4 million in 2024 to increase its production capacity in order to support the ramp-up of its customers and continue the modernization of its equipment, in particular with:

- the increase in manufacturing capacities for the screw, collar and hydraulic fitting product lines for the "Fasteners" segment, and forged parts and air intake lips for the "Structural Components" segment;
- the extension of the Saint-Ouen-l'Aumône site (France) in the "Fasteners" segment;
- the continuation of the relocation of the Bologne site to Chaumont in the "Structural Components" segment.

Actions to improve performance and modernize production resources were continued, particularly in the **LISI AUTOMOTIVE** division (€29.4 million).

Examples include:

- orders for machining and testing equipment for the Čejč site (Czech Republic) for the production of a new generation of mechanical components intended for next-

generation advanced driver assistance systems (ADAS);

- the transformation and re-establishment of the Lake Zurich site (United States) as per the Group's best industrial standards with the creation of a logistics hub and a development center for future clipped fasteners for the North American market;
- the implementation of a new capacity tranche in Monterrey (Mexico) and Tangier (Morocco) to produce electrical cable channel and vehicle lightweight solutions.

CAPEX also remained high for **LISI MEDICAL** (€16.6 million) and focused on the extension of the Big Lake plant to cope with future growth and on increasing production capacities for new products such as:

- harmonic scalpels;
- developments in the minimally invasive surgery segment.

The assets held for sale lines correspond to the property, plant and equipment of **LISI AUTOMOTIVE** Nomel presented under assets held for sale (see Note 3.3.1 - Scope changes).

b) Tangible assets – IFRS 16

IFRS 16 requires companies leasing significant assets as part of their activity to recognize an asset and a financial debt corresponding to the lease commitment.

The following types of leases have been identified and restated in accordance with IFRS 16:

- Capitalization of real estate assets: based on the analysis completed, the Group identified leases within the meaning of the standard for buildings leased for production activity and buildings leased for offices. The lease term selected corresponds to the period which cannot be terminated, along with any renewal options which the Group is reasonably certain will be exercised.
- Recognition of leases for other assets: the main leases identified are for vehicles and other rolling stock. The period of capitalization of rent on leases corresponds to the period initially envisaged in the contract.

The LISI Group has chosen not to separate the components of services within the lease (for example, the part for maintenance of vehicle lease agreements is not restated). Both capitalization exemptions proposed by the standard, *i.e.* agreements lasting under 12 months and the leasing of goods with a low new value (below US\$5,000) have been used.

The Group has also opted not to restate leases for intangible assets.

The discount rate used to value lease liabilities takes into account the rates calculated by an actuary for the terms of the contracts but also the currencies of the countries concerned, adjusted by a variable margin necessary to obtain financing on the financial markets. The rate determined in this way makes it possible to take account of the economic environment, the currency and the term of the leases of the Group's entities.

IFRS 16 statement of tangible assets at the end of the period:

(in thousands of euros)	Buildings	Technical facilities, equipment and tools	Other tangible assets	TOTAL
GROSS VALUES AT DECEMBER 31, 2023	146,823	27,717	19,469	194,009
Disposals	(498)			(498)
Implementation of new contracts and effects of changes in assumptions	8,628	(4,550)	8,319	12,397
Assets intended for sale			(1,373)	(1,373)
Exchange rate differences	2,482	348	70	2,900
GROSS VALUES AT DECEMBER 31, 2024	157,564	23,517	26,485	207,566
DEPRECIATION AT DECEMBER 31, 2023	47,174	23,656	11,366	82,196
[increase in] depreciation and amortization	12,602	1,013	4,279	17,894
Depreciation reversals (disposals)	(24)			(24)
Other changes	(409)		(3,833)	(4,242)
Assets intended for sale			(1,373)	(1,373)
Exchange rate differences	907	182	21	1,110
DEPRECIATION AT DECEMBER 31, 2024	60,250	24,851	10,460	95,561
NET VALUES AT DECEMBER 31, 2024	97,314	(1,334)	16,025	112,005

The positive change is mainly due to:

- Two leasing contracts taken out for production machines,
- The renewal of commercial leases for two sites.

The effects of changes in assumptions are mainly due to the revision of rents.

The assets held for sale lines correspond to LISI AUTOMOTIVE Nomel leases restated under IFRS 16 and presented in assets held for sale (see Note 3.3.1 - Scope changes).

3.4.1.3 - Non-current financial assets

This item mainly includes capitalization contracts for US pension plans. It also includes non-consolidated holdings. These securities represent shares in unlisted companies measured at fair value.

For these securities, the fair value corresponds to the cost when the latter constitutes an appropriate estimate of the fair value. Otherwise, an appropriate valuation method is used.

Statement of non-current financial assets at close:

(in thousands of euros)	Other non-current investments	Other financial assets	TOTAL
GROSS VALUES AT DECEMBER 31, 2023	11,065	4,063	15,128
Acquisitions	5,112	598	5,710
Disposals		(311)	(311)
Other changes	507	71	578
Exchange rate differences	392	12	404
GROSS VALUES AT DECEMBER 31, 2024	17,076	4,433	21,509
IMPAIRMENT AT DECEMBER 31, 2023	8		8
Provisions for impairment			
Reversals of provisions for impairment			
Other changes			
Exchange rate differences			
IMPAIRMENT AT DECEMBER 31, 2024	8		8
NET VALUES AT DECEMBER 31, 2024	17,068	4,433	21,501

The increase in other long-term investments in the amount of €5.1 million corresponds to the continuation of the project to acquire a stake in an entity external to the Group for the operational implementation of fully autonomous machining equipment ("Watch-out" project).

3.4.1.4 - Financial assets and liabilities**Financial assets**

Described in greater detail in Note 3.4.1.3 above.

Financial debt

Interest-bearing loans are initially recognized at their fair value less costs attributable to the transaction. They are then measured at amortized cost; the difference between

the cost and the redemption value is recognized in the income statement over the term of the loans, using the effective interest rate method.

Trade and other accounts payable

Trade and other accounts payable are valued at fair value at first recognition, and then at depreciated cost.

When the maturity of such financial assets is short, the sums obtained from applying this method are very close to the nominal value of the payables, which is then the value employed.

Financial assets and liabilities recorded on the balance sheet are broken down into the following accounting categories and classes of financial instruments:

Financial assets and liabilities recorded in the balance sheet (in thousands of euros)	At 12/31/2024		Breakdown by instrument category			
	Net book value	Fair value	Fair value via earnings	Loans and receivables	Debt at amortized cost	Derivatives
Non-current financial assets	21,501	21,501		21,501		
Other non-current assets	123	123		123		
Trade and other receivables	244,995	244,995		244,975		20
Cash and cash equivalents	191,660	191,660	191,660			
TOTAL FINANCIAL ASSETS	458,279	458,279	191,660	266,599		20
Non-current borrowings	547,121	547,121			546,575	546
Other non-current financial liabilities (excl. PCA)	6,855	6,855			6,855	
Current borrowings	133,070	133,070			133,070	
Trade and other accounts payable	378,591	378,591			376,027	2,564
TOTAL FINANCIAL LIABILITIES	1,065,637	1,065,637			1,062,527	3,110

Financial assets and liabilities recorded in the balance sheet (in thousands of euros)	At 12/31/2023		Breakdown by instrument category			
	Net book value	Fair value	Fair value via earnings	Loans and receivables	Debt at amortized cost	Derivatives
Non-current financial assets	15,120	15,120		15,120		
Other non-current assets	85	85		85		
Trade and other receivables	226,137	226,137		222,722		3,415
Cash and cash equivalents	139,312	139,312	139,312			
TOTAL FINANCIAL ASSETS	380,654	380,654	139,312	237,927		3,415
Non-current borrowings	494,383	494,383			493,458	925
Other non-current financial liabilities (excl. PCA)	2,097	2,097			2,097	
Current borrowings	145,989	145,989			145,989	
Trade and other accounts payable	356,027	356,027			355,275	752
TOTAL FINANCIAL LIABILITIES	998,496	998,496			996,819	1,677

Fair value hierarchy:

The IFRS 7 standard requires the hierarchical ordering of the different valuation techniques used for each of the financial instruments. The categories are defined as follows:

- **Level 1:** direct reference to published prices of a market asset,

- **Level 2:** valuation technique based on measurable data,
- **Level 3:** valuation technique based on non-observable data.

(in thousands of euros)	December 31, 2024		
	Level 1	Level 2	Level 3
Non-current financial assets	21,501		
Other non-current assets	123		
Trade and other receivables	20	244,975	
Cash and cash equivalents	191,660		
TOTAL FINANCIAL ASSETS	213,304	244,975	
Non-current borrowings	547,121		
Other non-current financial liabilities (excl. PCA)	6,855		
Current borrowings	133,070		
Trade and other accounts payable	2,564	376,027	
TOTAL FINANCIAL LIABILITIES	689,610	376,027	

3.4.2 Current assets**3.4.2.1 - Inventories**

Inventory is valued at the lower of cost or net realizable value.

The cost of materials and merchandise is calculated from their acquisition cost plus the costs incurred to bring them to their current location in their current condition. Finished products and work in progress are valued at actual production cost over the period, including an appropriate portion of general costs based on normal production capacity.

The net realizable value equates to the estimated sales price in the normal course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

Inventories are impaired when their net realization value is less than their cost of production, when they are damaged, obsolete, as well as each time there is a risk that they might not be disposed of under normal conditions, or when there is a risk that they will be disposed of over a period that is longer than what is generally accepted.

Inventory statement at close:

(in thousands of euros)	Raw materials	Tools and other procurements	Work in progress-goods	Finished and intermediary products	Goods	TOTAL
GROSS VALUES AT DECEMBER 31, 2023	114,433	14,669	216,098	122,462	10,480	478,144
Assets intended for sale	(1,155)	(326)	(3,955)	(1,054)	(1,470)	(7,960)
Exchange rate differences	1,612	178	2,705	1,890	129	6,514
Changes in inventory	10,366	(237)	19,463	334	(611)	29,316
Other changes	(254)	697	(310)	84		217
GROSS VALUES AT DECEMBER 31, 2024	125,002	14,981	234,001	123,716	8,528	506,230
IMPAIRMENT AT DECEMBER 31, 2023	11,121	1,281	10,096	17,691	632	40,821
Assets intended for sale	(121)		(752)	(192)		(1,065)
Provisions for amortization and depreciation	5,339	162	11,634	5,618	1,002	23,755
Reversal of provisions for amortization and depreciation	(8,799)	(547)	(7,536)	(9,173)	(210)	(26,265)
Exchange rate differences	126		135	303	22	586
Other changes			220	2		222
IMPAIRMENT AT DECEMBER 31, 2024	7,666	896	13,797	14,249	1,446	38,056
NET VALUES AT DECEMBER 31, 2024	117,336	14,085	220,204	109,467	7,082	468,174

The assets held for sale lines correspond to LISI AUTOMOTIVE Nomel's inventories presented under assets held for sale (see Note 3.3.1 - Scope changes).

3.4.2.2 - Trade and other receivables

Loans and advances are recorded in the balance sheet at their fair value. In the event of a risk of non-recovery, impairments are recognized on a case-by-case basis on the basis of probable collection flows. This risk takes into account the age of the transaction.

Trade and other receivables are valued at their amortized cost in accordance with the provisions of IFRS 9.

The Group has opted for the simplified IFRS 9 impairment model. According to the analyses carried out, the estimated ECL (Expected Credit Loss) was not significant as of December 31, 2024.

Group exposure to credit risk is mainly influenced by individual customer profiles. The Group has a policy of monitoring trade receivables, allowing it to constantly control its third-party risk exposure.

The credit risk of write-offs of past due receivables is minimal.

At December 31, 2024, the amount of permanent losses recognized over the fiscal year was €90.7 thousand compared to €66.9 thousand in 2023.

Statement of trade and other receivables at the end of the period:

(in thousands of euros)	12/31/2024	12/31/2023
Gross trade receivables	181,845	177,049
Impairment of trade receivables	(3,307)	(3,704)
NET TRADE RECEIVABLES	178,538	173,345
State - other taxes and duties	36,353	30,173
Social entities & workforce services	285	207
Accounts payable - advances, debtors	7,206	7,739
Deferred charges	9,940	7,261
Other	12,673	7,413
OTHER RECEIVABLES	66,457	52,792
TOTAL TRADE AND OTHER RECEIVABLES	244,995	226,137

The Group closely monitors its customer risks to secure its outstandings. No significant risk was identified.

Factoring amounted, at December 31, 2024, to €131.5 million, compared with €114.2 million at December 31, 2023. The fair value of these transferred assets in accordance with the IFRS 7 definition is equal to their nominal value. These transfers are made in the form of factoring with conventional

subrogation, without recourse, thereby removing any exposure to a risk of financial loss. The LISI Group has signed contracts with three banks. These agreements provide for the possibility of selling receivables up to an amount of €125 million in France and \$30 million in the United States, or around €150 million.

Debt by maturity

Overdue receivables not covered by provisions mainly concern major customers with which the Group has concluded annual or multi-annual business agreements. On the basis of historical observations, the Group considers the risk of non-recovery to be marginal, with non-hedged overdue receivables dating back mainly to less

than one year and the portion exceeding one year being insignificant.

The average payment period for the 2024 fiscal year was 36 days, compared to 39 days for the 2023 fiscal year.

Late payments at 12/31/2024

Late payments in thousands of euros	12/31/2024	12/31/2023
0 to 30 days	24,138	23,919
30 to 60 days	4,278	4,668
60 to 90 days	1,448	2,050
> 90 days	2,291	1,178
TOTAL	32,155	31,815

3.4.2.3 - Cash and cash equivalents

Cash and cash equivalents include current bank accounts (components of net cash as they are not subject to authorization agreements preventing the bank from demanding "repayment on sight" of the overdrafts), cash in hand, on-call deposits, marketable securities, and negotiable certificates of deposit held by the Group. Adjustments of value are recognized in the income statement.

The accounting treatment of money-market SICAV instruments and negotiable deposit certificates complies with the application of IFRS 9.

The cash available as at December 31, 2024, stood at €191.7 million, compared to €139.3 million in 2023. This item mainly comprises:

- negotiable deposit certificates held by the Group for an amount of €3.0 million in 2024 (identical amount compared to 2023),

- current bank accounts. These are, in part, made up of bank accounts in US dollars held mainly by LISI S.A. and LISI Holding North America. They are recognized under "Cash and cash equivalents" in the amount of US\$146.9 million, i.e. €141.4 million.

They are recorded at their fair value, and value adjustments are recorded in the income statement. These positions are not exposed, the main backing instruments guaranteeing the capital.

Bank accounts and investments denominated in foreign currencies were translated at the closing rate on December 31, 2024, with their counterpart recorded in foreign exchange income.

The impact of the change in working capital on cash is as follows:

in thousands of euros	12/31/2024	12/31/2023
Effect of the change in inventories	(29,314)	(37,605)
Effect of the change in trade receivables and other debtors	(17,725)	(24,410)
Effect of the change in trade payables and other creditors	28,752	50,383
Effect of tax variation	6,327	(1,938)
CHANGE IN WORKING CAPITAL REQUIREMENTS	(11,960)	(13,570)

The Free Cash Flow broke down as follows:

in thousands of euros	12/31/2024	12/31/2023
Operating cash flow	170,030	132,499
Net CAPEX	(100,397)	(96,708)
Change in working capital requirements	(11,960)	(13,570)
FREE CASH FLOW	57,673	22,222

3.4.3 Shareholders' equity

Shareholders' equity attributable to owners of the parent stood at €999.6 million at December 31, 2024, against €932.6 million at December 31, 2023, representing a decrease of €67.1 million. This change takes into account the following main factors:

Changes in € million	12/31/2024	12/31/2023
Income for the period attributable to owners of the parent	56.0	37.5
Capital decrease (OPRA)		(204.6)
Distribution of dividends paid in May	(14.2)	(8.0)
Treasury shares and share-based payments	1.3	2.8
Revaluation of net liabilities (assets) of defined benefit plans	1.4	(4.1)
Change in fair value of cash flow hedging instruments	(1.1)	1.2
Miscellaneous restatements	(0.1)	0.2
Translation differences related to changes in the closing rate, including the changes in the value of the dollar	23.7	(8.2)
TOTAL	67.1	(183.1)

The Group implements a policy of buying back Company shares, in accordance with authorizations provided by the General Meeting to the Board of Directors. The main purposes of the share repurchase program are:

- to increase the activity of the stock on the market by an Investment Services Provider *via* a liquidity contract in accordance with the AMAFI professional code of ethics recognized by the French financial markets authority (AMF),
- to grant stock options or free shares to employees and corporate officers of the company and/or its Group,
- to retain and use shares as consideration or payment for potential acquisitions,
- to cancel shares purchased, subject to the approval of the Extraordinary General Meeting to be called at a later date.

Repurchased shares are classified as treasury shares and deducted from shareholders' equity.

3.4.3.1 - Share capital

Share capital at year-end stands at €18,615,325, broken down into 46,538,313 issued shares with a face value of €0.40.

3.4.3.2 - Capital management

The Group's policy consists in maintaining robust capital to the return on capital employed and the cash flow so as to support a highly capitalistic and growing business, preserve the confidence of shareholders and investors, support internal and external growth and withstand periods of recession. The Board of Directors is particularly attentive to the return on capital employed and the cash flow

generated by the business. Instruments giving access to the Company's share capital concern benefits granted to executives and employees under certain conditions. They only concern existing treasury shares.

3.4.3.3 - Dividends

The amount of dividend per share for the 2024 fiscal year (not recognized) submitted to the Shareholders' General Meeting on April 25, 2025, for approval breaks down as follows:

Amount (in millions of euros)	2024	2023
TOTAL NET DIVIDEND	18.15	14.20

Dividend per share (€)	2024	2023
DIVIDEND PER SHARE	0.39	0.31

The estimated amount for 2024 is calculated based on the total number of shares, *i.e.* 46,538,313. The self-held

shares at the date of payment of the dividend will not be eligible for the payment of any dividend.

3.4.4 Provisions

A provision is recognized on the balance sheet if the Group has a current, legal commitment or an implicit one arising from a past event and for which it is probable that there will need to be an outflow of resources in order to eliminate the

commitment. They are measured at the estimated payment amount. If the effect of capitalizing provisions is not significant, capitalization is not carried out.

Non-current provisions

Non-current provisions are provisions not directly related to the operating cycle, whose due date is generally within more than one year. They include notably provisions for

environmental risks, provisions for retirement commitments and certain provisions for restructuring.

Current provisions

Current provisions cover the provisions directly related to the operating cycle of each division, regardless of their estimated due dates. Provisions for legal disputes concern mainly disputes with customers, subcontractors, and

suppliers. Provisions for other current risks mainly comprise provisions for late penalties, provisions for redundancies, other operating risks and industrial reorganizations.

3.4.4.1 - The change in provisions breaks down as follows:

(in thousands of euros)	At January 1, 2023	Allowances (net of reversals)	At December 31, 2023	Allowances	Reversals (amounts used)	reversals (unused amounts)	Actuarial gains/ losses through other comprehensive income	Reclassifications - Other	Liabilities held for sale	translation differences	At December 31, 2024
Pensions and retirement	35,200	2,703	37,903	4,138	(2,157)		(1,609)		(1,996)	(322)	35,957
Long-service medals	3,319	(3)	3,316	171	(190)				(505)		2,792
Environment-related risks	140	676	816	93	(475)	(171)				23	286
Disputes and other risks	3,410	(816)	2,594	3,966	(280)	(100)		135	(209)	83	6,189
Guarantees to clients	6,797	600	7,397	600	(5,037)						2,960
Industrial reorganization	2,126	(1,292)	834		(392)						442
SUS-TOTAL NON-CURRENT PROVISIONS	50,992	1,867	52,859	8,968	(8,531)	(271)	(1,609)	135	(2,709)	(216)	48,627
For loss on contract	275	(250)	25								25
Industrial reorganization	3,578	(1,868)	1,710	6,723	(1,375)	(112)		(198)	(90)	51	6,709
Restructuring	56	(19)	37	1,820	(37)				(729)		1,091
Environment-related risks	1,567	(1,031)	536		(451)			(96)		11	
Disputes	56	(56)									
Other risks	19,681	(11,931)	7,750	3,290	(2,989)	(762)		160		56	7,504
SUBTOTAL CURRENT PROVISIONS	25,211	(15,157)	10,054	11,833	(4,851)	(874)		(135)	(819)	119	15,327
GRAND TOTAL	76,203	(13,290)	62,913	20,801	(13,382)	(1,145)	(1,609)		(3,528)	(97)	63,954
<i>of which in current operating profit</i>				9,507	(12,810)	(1,126)					
<i>of which in non-current operating profit</i>				11,293	(572)	(19)					

The amounts shown under liabilities held for sale correspond to LISI AUTOMOTIVE Nomel's provisions (see Note 3.3.1 - Scope changes).

Environment-related risks:

Recognition of liabilities linked to requirements to uphold environmental standards in the various countries in which the company operates and more specifically with regard to soil pollution on old industrial sites.

Disputes and other risks:

This covers litigation or disputes with partners and service providers. The risk was increased based on the estimated cost of the likely outcome of disputes or possible transactions.

Assessment of expected returns cannot be calculated as of yet. The bulk of the movements relates to various quality, tax, and wage risks.

Restructuring and industrial reorganization:

This covers industrial reorganization based on assessments of the cost of redeploying certain sites or

entities. The assessment of the sums recognized takes account of specific local regulatory stipulations.

Other risks:

Liabilities recognized under this category take into account risks based on various reports (industrial, regulatory, corporate, customer guarantees and products). The other amounts of

provisions and reversals primarily concern quality, customer lead time, classification of new products, tax risks and wage risks.

Commitments to employees

Contributions in defined contributions plans are recognized as expenses for the period in which they are incurred. The

LISI Group has no plan opened relating to defined-contribution plans.

3.4.4.2 - General description of the plans**Retirement lump sum (France and Germany):**

Entitlements to retirement lump sum are defined by applicable laws or sectoral agreements when they are more favorable.

England:

BAI UK operates a defined benefit pension plan to which all employees who joined the company before April 2007 are entitled and which has been closed since then. Plan assets are separate from the assets of the Company and

managed by a trust administered by a board of trustees. The risks to which the plan exposes the company are as follows: CAPEX, inflation, retirees' length of retirement, options, legislation.

United States:

Hi Shear Corporation operates a defined benefit pension plan to which all employees who joined the company before February 1991 are entitled and which has been closed since then. Plan assets are separate from the

assets of the Company and managed by a trust administered by a board of trustees. The risks to which the plan exposes the company are as follows: CAPEX, inflation, retirees' length of retirement, options, legislation.

The geographic breakdown of the Group's commitments to staff as at December 31, 2023 and 2024, for defined benefits plans and the main assumptions employed in their assessment are as follows:

12/31/2024 (in thousands of euros)	France	Germany	United States	England	Other
Actuarial debt	24,882	5,680	348	16,203	4,594
Discount rate	3.38 %	3.57 %	4.50 %	5.35 %	N/A
Reference used	I Boxx euro zone 12 years	Extrapolation based on the ECB 15-year AAA rate curve	Citigroup Pension Discount Curve rate	I Boxx AA-rated 15 years +0.3%	
Inflation – Wage increase	2.70 %	2.00 %	N/A	3.26 %	N/A

12/31/2023 (in thousands of euros)	France	Germany	United States	England	Other
Actuarial debt	27,011	5,704	395	18,747	2,861
Discount rate	3.17 %	3.88 %	4.50 %	4.33 %	N/A
Reference used	I Boxx euro zone 12 years	Extrapolation based on the ECB 15-year AAA rate curve	Citigroup Pension Discount Curve rate	I Boxx AA-rated 15 years +0.3%	0
Inflation – Wage increase	3.00 %	2.00 %	N/A	3.14 %	N/A

As per the revised IAS 19 standard, the rate of return on long-term funds is identical to the discount rate for actuarial debt. The rates of return thus employed are equal to 4.50% for American insurance plans and 5.35% for

English ones. At December 31, 2024, the allocation of the plan assets was approximately 13% in equities and 87% in other vehicles for England.

The following table sets out the changes, during the 2023 and 2024 fiscal year, in the actuarial debt and the market value of the hedging assets (in millions of euros):

Change in actuarial debt	2024	2023
ACTUARIAL DEBT AT YEAR START	54,717	52,307
Cost of services	2,174	1,790
Cost of accretion	2,693	2,704
Benefits paid	(2,681)	(3,440)
Discounts	(368)	(365)
Liabilities held for sale	(1,996)	
Translation differences	451	(1,168)
Actuarial losses (gains)	(3,283)	3,458
ACTUARIAL DEBT AT YEAR END	51,707	54,717

The amount of €2 million shown in liabilities held for sale corresponds to the LISI AUTOMOTIVE Nomel provision.

Change in market value of hedging assets	2024	2023
Opening value	16,812	17,104
Contributions paid by the Group	(131)	
Benefits withheld from fund	(761)	(811)
Expected yield from assets	729	802
Translation differences	773	352
Actuarial gains (losses)	(1,673)	(635)
CLOSING VALUE	15,748	16,812

The following table sets out the reconciliation of the amounts recognized in the Group's consolidated financial statements and the above amounts:

In thousands of euros	12/31/2024	12/31/2023
LIABILITIES RECOGNIZED AT THE END OF THE PERIOD	(35,957)	(37,903)

The expense recognized as operating profit by the Group during the fiscal year 2024 as defined benefits plans amounted to €3.8 million and is broken down as follows:

In thousands of euros	2024	2023
Cost of services	2,174	1,790
Cost of accretion	2,693	2,704
Expected yield from plan assets	(729)	(802)
Discounts	(368)	(365)
France 2023 retirement reform application		(570)
EXPENSE (REVENUE) RECOGNIZED	3,769	2,758

3.4.5 Other non-current liabilities

(in thousands of euros)	12/31/2024	12/31/2023
Deposits and sureties received	64	88
Employee participation	5,922	1,379
Deferred income	8,123	8,694
Other non-current liabilities	869	630
TOTAL OTHER NON-CURRENT LIABILITIES	14,979	10,792

Prepaid income mainly corresponds to subsidies received from regional authorities for various construction and development projects at the Group's various sites.

3.4.6 Financial debt**3.4.6.1 - Financial debt****Breakdown by nature**

(in thousands of euros)	12/31/2024	12/31/2023
NON-CURRENT SHARE		
Mid-term loans	448,203	400,317
Lease liabilities	96,479	91,724
Employee profit-sharing (frozen on a current account)	2,439	2,341
NON-CURRENT DEBT SUBTOTAL	547,121	494,383
CURRENT SHARE		
Banking facilities for operations	39,390	21,959
Mid-term loans	79,209	108,512
Lease liabilities	14,471	15,518
Employee profit-sharing (frozen on a current account)		
SUBTOTAL CURRENT DEBT	133,070	145,989
TOTAL DEBT	680,191	640,372

LISI S.A. has taken out several fixed-rate loans for a total amount of €105 million with a duration of 5 to 7 years (see section on "Financial debt by type and rate").

Breakdown by maturity date

(in thousands of euros)	12/31/2024	12/31/2023
BORROWINGS		
at one year	79,209	108,512
two to five years	413,754	356,766
more than five years	34,449	43,551
SUBTOTAL BORROWINGS	527,412	508,829
OTHER FINANCIAL CREDITORS		
at one year	53,861	37,477
two to five years	60,559	57,733
more than five years	38,359	36,332
SUBTOTAL OTHER DEBT	152,779	131,543
BORROWINGS AND DEBT	680,191	640,372

Breakdown by cash flow category

FINANCIAL DEBT AS AT 01/01/2024	640,372
SUBTOTAL CHANGES RESULTING FROM CASH FLOW	16,095
Change in consolidation scope	(1,238)
Translation effects	5,113
IFRS 16	19,868
Other	(18)
SUBTOTAL CHANGES WITH NO CASH EFFECT	23,724
FINANCIAL DEBT AS AT 12/31/2024	680,191

The "IFRS 16" change is due to the recognition of the renewal of commercial leases in 2024 and the signing of contracts for the rental of production machines.

The amount of €1.2 million shown in liabilities held for sale corresponds to LISI AUTOMOTIVE Nomel's financial debts, which are classified as liabilities directly related to groups of assets of items held for sale.

Breakdown by currency

All figures relating to borrowings and debts with credit establishments are given in euros. The Group's bank debts therefore do not expose it to any foreign exchange risk.

Breakdown by interest rate category

The table below summarizing the borrowings from the Group's credit institutions lists the most significant outstandings, broken down into fixed and variable rates:

Contracting entities	Nature of the loan	Fixed rate	Variable rate	Total amount of credit lines in million of euros	Capital remaining due at 12/31/2024 (in million of euros)	Maturity date	Existence or not of interest rate or currency hedges	Covenant
LISI S.A.	Conventional loan	0.95 %		10.0	2.5	2026		[1]
	Conventional loan	0.75 %		5.0	2.9	2028		[1]
	Conventional loan	0.34 %		10.0	1.5	2025		[1]
	Conventional loan	1.27 %		5.0	4.1	2031		[1]
	Conventional loan	0.78 %		10.0	9.0	2028		[1]
	Conventional loan	1.00 %		25.0	25.0	2027		[1]
	Conventional loan	2.95 %		20.0	20.0	2029		[1]
	Conventional loan	0.90 %		20.0	17.1	2029		[1]
	Conventional loan	3.90 %		7.5	5.6	2029		[1]
	Conventional loan	1.80 %		5.0	4.8	2029		[1]
	Conventional loan	1.80 %		5.0	4.8	2029		[1]
	Conventional loan	3.70 %		7.5	5.8	2030		[1]
	Conventional loan	3.93 %		15.0	12.8	2029		[1]
	Conventional loan	4.05 %		10.0	9.7	2027		[1]
	Conventional loan	3.95 %		15.0	11.3	2030		[1]
	Conventional loan	4.26 %		15.0	12.5	2030		[1]
	Conventional loan	4.13 %		5.0	4.2	2030		[1]
	Conventional loan	3.60 %		7.5	7.3	2031		[1]
	Conventional loan	3.20 %		10.0	10.0	2029		[1]
	Conventional loan	3.40 %		15.0	15.0	2030		[1]
	Conventional loan	3.85 %		30.0	30.0	2029		[1]
	Conventional loan	3.47 %		15.0	14.5	2031		[1]
	Conventional loan	3.55 %		7.5	7.3	2031		[1]
	Conventional loan	3.50 %		10.0	8.6	2029		[1]
	Conventional loan	4.09 %		5.0	5.0	2031		[1]
	Conventional loan	4.09 %		5.0	5.0	2031		[1]
	Syndicated loan		Euribor 3 months + margin	200.0	185.0	2028	Hedged by Swap	[1]
	USPP	1.82 %		20.0	2.9	2025		[2]
	USPP	1.78 %		40.0	11.4	2026		[2]
	USPP	1.15 %		50.0	50.0	2031		[2]
BLANC AERO INDUSTRIES	Conventional loan		Euribor 3 months + margin	11.5	5.6	2031	Hedged by Swap	[1]
TOTAL				636.5	524.5			

3.4.6.2 - Related covenants

The Group has no bank facilities based on its credit rating. The contracts entered into include conventional clauses regarding the financial health of the Group or its subsidiaries. The definition and levels of ratios, also called "financial covenants", are set by prospective mutual agreement with credit institutions.

Depending on the bank, compliance with these ratios is assessed once or twice a year, on the half-year and annual close dates. Failure to comply with these ratios entitles the credit institutions to impose early repayment (total or partial) of the facilities granted.

At the end of December 31, 2024, the covenants were respected.

For the reader's information, the "financial covenants" related to each bank loan are described hereafter:

[1]

Consolidated gearing ratio < 1.2

(Net Debt / Equity).

Consolidated leverage ratio < 3.5

(Net debt / EBITDA).

[2] The financial covenants related to the USPP lines are described below for information purposes:

Consolidated gearing ratio < 1.2

(Net Debt restated according to the criteria of the loan contract / Equity).

Consolidated leverage ratio < 3.5

(Net Debt restated according to the criteria of the loan contract / EBITDA).

Coverage ratio of consolidated interest expense > 4.5

(EBITDA / Net interest expense).

At December 31, the ratios as defined in the banking contracts were as follows:

- The consolidated Gearing ratio was 0.517 in 2024, compared to 0.549 in 2023.
- The consolidated Leverage ratio was 2.455 in 2024 compared to 2.891 in 2023.
- The coverage ratio of consolidated interest expense was 7.698 compared to 8.627 in 2023.

The Group therefore has a comfortable margin of safety, confirming its low liquidity risk.

Swap rate

As at December 31, 2024, the features of the SWAP contracts were as follows:

Notional at 12/31/2024	Nominal (in thousand of euros)	Outstanding (in thousands of euros)	Departure date	Maturity date	Paying rate	Receiving rate	Net market value in thousand of euros
LISI S.A.	50,000	50,000	8/31/2023	3/23/2028	2,10% - 4%	Euribor 3-month	256.0
LISI S.A.	50,000	50,000	8/31/2023	3/23/2028	2,10% - 4%	Euribor 3-month	190.0
LISI MEDICAL Fasteners	4,500		9/28/2012	9/30/2024	1.30 %	Euribor 3-month	(3.0)
Blanc Aéro Industries	4,983	2,396	2/1/2016	1/15/2031	0.83 %	Euribor 3-month	(63.0)
Blanc Aéro Industries	4,983	2,396	2/1/2016	1/15/2031	0.83 %	Euribor 3-month	(61.0)
TOTAL	114,466	104,792					319.0

Adjustments of value are recognized in the income statement.

3.4.6.3 - Breakdown of financial debt

(in thousands of euros)	12/31/2024	12/31/2023
Cash and cash equivalents	191,660	139,312
CASH AVAILABLE [A]	191,660	139,312
Current banking facilities [B]	39,390	21,959
NET CASH [A - B]	152,270	117,353
Credits	527,412	508,829
Other financial creditors	113,389	109,583
NET FINANCIAL DEBT [C]	640,801	618,412
NET DEBT [D = C + A - B]	488,531	501,060
GROUP EQUITY [E]	999,633	932,565
DEBT RATIO (EXPRESSED AS%) [D / E]	48.9 %	53.7 %

3.4.7 Financial liabilities

The cash table for all financial liabilities is as follows:

Financial liabilities on the balance sheet (in thousands of euros)	As of 12/31/2024	Breakdown of contractual flows not discounted on due date			Total
	Net book value	Less than 1 year	Between 1 and 5 years	Over 5 year	
Non-current borrowings	547,121		474,313	72,808	547,121
Other non-current financial liabilities (ex cl. PCA)	6,855		6,855		6,855
Current borrowings	133,070	133,070			133,070
Trade and other accounts payable	378,591	378,591			378,591
TOTAL FINANCIAL LIABILITIES	1,065,637	511,661	481,168	72,808	1,065,637

Financial liabilities on the balance sheet (in thousands of euros)	As of 12/31/2023	Breakdown of contractual flows not discounted on due date			Total
	Net book value	Less than 1 year	Between 1 and 5 years	Over 5 year	
Non-current borrowings	494,383		414,500	79,883	494,383
Other non-current financial liabilities (ex cl. PCA)	2,097		2,097		2,097
Current borrowings	145,989	145,989			145,989
Trade and other accounts payable	356,027	356,027			356,027
TOTAL FINANCIAL LIABILITIES	998,496	502,016	416,597	79,883	998,496

3.4.8 Liquidity risk

The Group's cash management is centralized: the vast majority of the cash surpluses or financing requirements of its subsidiaries, where local legislation permits, is invested or financed by the parent company on normal market terms. The central cash management team manages the financing of the Group, current and forecast, and ensures its capacity to meet its financial commitments. For that purpose, it maintains a level of the available cash and confirmed credit facilities compatible with its size and the maturities of its debt.

At December 31, 2024, the LISI Group benefited from:

- unused short-term credit lines in the amount of €95 million,
- unused RCF lines in the amount of €30 million,
- unused factoring lines in the amount of €20 million,
- cash in the amount of €192 million.

Representing a total financing capacity of €337 million.

3.4.9 Interest rate risk

The Group's main exposure in terms of interest rate risk arises from the exposure of its variable-rate financial assets and liabilities to variations in interest rates. This could have an impact on its cash flows. Within the framework of its overall policy, the Group partly converts its initially variable rate liabilities into fixed rate liabilities, using financial instruments such as interest rate SWAPs.

These hedging instruments are negotiated on OTC markets with banking counterparts, in a centralized manner by the Group's Financial Department. They are not considered by the Group to be hedging instruments and are recorded at fair value to the income statement.

As at December 31, the Group's net variable rate position broke down as follows:

(in thousands of euros)	12/31/2024	12/31/2023
Loans - variable rates	190,618	208,109
Short-term banking facilities	39,390	21,959
Cash and cash equivalents	(188,660)	(136,312)
NET POSITION PRIOR TO MANAGEMENT	41,348	93,756
Interest rate SWAP	104,792	105,746
HEDGING	104,792	105,746
NET POSITION AFTER MANAGEMENT	(63,444)	(11,990)

3.4.10 Deferred tax

(in thousands of euros)	12/31/2024	12/31/2023
Deferred tax assets	44,913	44,193
Deferred tax liabilities	(47,973)	(48,897)
NET DEFERRED TAXES	(3,060)	(4,704)

Non-recognized deferred tax assets:

The Company does not recognize its deferred tax assets whenever it has no sufficient assurance that it will recover carried forward deficits and tax credits. Deferred tax assets are only recognized if their recovery is probable. For

information purposes, carried forward losses not recognized in the balance sheet at December 31, 2024, would generate deferred tax assets of €17.6 million, compared to €15.4 million in 2023.

Deferred tax assets by anticipated period of recoverability at December 31, 2024

2024				2023			
< 1 year	1 to 5 years	+5 years	Total	< 1 year	1 to 5 years	+5 years	Total
7,700	30,561	6,652	44,913	4,662	31,578	7,953	44,193

3.5 Breakdown of main income statement items

3.5.1 Revenue

Proceeds from the sale of goods are recognized in the income statement when the customer obtains control of the asset, which generally occurs on a specific date.

IFRS 15 "Revenue from contracts with customers" introduces a single analysis grid regardless of the transactions (sale of goods, sale of services, granting of licenses, etc.) with five successive stages:

- identification of the contract or contracts;
- identification of the seller's various contractual obligations (performance obligation);
- determination of the price of the transaction;
- allocation of the price of the transaction to the various obligations identified;
- recognition of the corresponding revenue.

As most of the subsidiaries consolidated in the LISI Group are industrial production sites, most of the revenue comes from the sale of finished products.

However, the Group has specifically identified two types of transaction distinct from the one referred to previously: the first is late penalties (on delivery, quality deterioration, etc.) reported against revenue; the second relates to the invoicing of machine tooling treated as additional services resulting in the recognition of a revenue at the time of acceptance of the machine tooling and the initial samples. These principles are handled in accordance with IFRS 15.

Revenues are shown after deduction of discounts.

The breakdown of revenues by business segment and country is shown in Note 3.6.1. "Segment information".

3.5.2 Consumed goods

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL 2024	TOTAL 2023
Consumption of goods	6,933	29,519	3,750		40,202	42,747
Consumption of raw materials	218,325	128,360	32,414		379,099	351,143
Tools	47,178	23,050	9,907		80,135	70,592
Other purchases	26,967	16,949	5,791	26	49,733	48,589
TOTAL CONSUMPTION	299,403	197,878	51,862	26	549,169	513,070

3.5.3 Other purchases and external expenses

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL 2024	TOTAL 2023
Subcontracting	63,518	53,616	10,136	(5)	127,265	118,716
Maintenance	37,798	27,204	5,441	1,123	71,566	64,902
Freight	10,539	15,279	1,796	2	27,616	27,680
Energy	33,760	19,554	2,751	23	56,088	56,714
Other external expenses	110,843	32,344	11,376	(12,745)	141,818	117,496
TOTAL OTHER PURCHASES AND EXTERNAL EXPENSES	256,458	147,997	31,500	(11,602)	424,353	385,508

The amount of -€11.6 million indicated in the "other" column is composed of the intragroup elimination services invoiced by LISI S.A. Holding, LGS and LISI Holding North America to the divisions (-€17.6 million).

Statutory Auditors' fees

Pursuant to Regulation No. 2016-09 of the ANC of December 2, 2016, the following table shows the amount of fees paid to the Group's Statutory Auditors appearing in the consolidated income statement for the fiscal year, with a distinction being made between the fees related to the

certification of the financial statements from those relating, where applicable, to other services.

The fees mentioned for subsidiaries relate to those that are fully consolidated. (in € millions):

(in thousands of euros)	Ernst & Young		KPMG S.A.		Exco et Associés		Foreign auditors	
	Amount		Amount		Amount		Amount	
	2024	2023	2024	2023	2024	2023	2024	2023
AUDIT								
Auditors, certification, review of individual and consolidated financial statements								
– LISI S.A.	29	28	48	47				
– Fully consolidated subsidiaries	817	812	146	53	114	236	123	116
Other due diligence and services								
– LISI S.A.	17	7	36	25				
– Fully consolidated subsidiaries	6		7	12	27	9		
Total	869	847	237	136	141	245	123	116

Statutory Auditors, certification, review of individual and consolidated financial statements

This is all the work that cannot be separated from certification, i.e. all work necessary for the issuance of certification reports on the financial statements and reports or certificates that must be made available to the Ordinary General Meeting for the approval of the financial statements. Services are provided by the Statutory Auditors and other auditors, members of the network, certifying the individual and consolidated financial statements of the parent company and the fully consolidated subsidiaries in France and abroad.

Other due diligence and services:

The services in question concern services that fall within the scope of services usually provided as an extension of the statutory audit (drafting of specific certificates, work carried out in the context of market transactions) or any other specific assignment, in general, non-recurring and contractual.

3.5.4 Employee benefits expense

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	Total 2024	Total 2023
Temporary workers	30,084	5,232	3,834	135	39,285	33,259
Salaries and incentives	271,486	131,806	51,004	7,985	462,281	423,895
Layoff pay	1,173	1,004	141	13	2,331	1,907
Social contributions and taxes on salaries	95,184	45,889	19,325	5,577	165,975	148,271
Employee profit-sharing	6,257	(3)	65		6,319	1,490
Pensions and long-service awards	1,146	960	125	1	2,232	2,639
TOTAL PAYROLL EXPENSES	405,330	184,888	74,494	13,711	678,425	611,461

3.5.5 Research and development costs

Research costs incurred in order to develop scientific knowledge and understanding, or to learn new techniques, are recognized as an expense when they are incurred.

Under the IFRS framework, development costs (i.e. costs incurred by applying the results of research to a plan or model in order to develop new or substantially improved products and processes) are recorded as fixed assets if the Group can demonstrate that future economic benefits are probable.

The LISI Group's mission is to carry out intensive research and development activities, to develop new products, the use of new materials and to develop innovative production processes. This research and development activity is carried out in several ways: either as part of a co-operative venture between research and design departments within the own divisions and those of its customers, or to develop

or improve certain components or industrial processes. The development expenses employed at the LISI Group mainly relate to products in co-development with customers and not to changes in industrial processes.

As a result, most of the costs incurred do not meet the criteria for capitalization as intangible assets and are therefore recorded as expenses. They consist mainly of expenses for personnel working in R&D.

Staff directly dedicated to R&D represented in 2024 some 2.6% of the Group's employees.

The Group carries out regular assessments of major projects in order to identify any costs which could be capitalized.

The expenses incurred for the two last fiscal years are shown in the table below:

(in millions of euros)	2024	2023
Research and Development expenditures	27.9	32.3
% of revenues	1.6 %	2.0 %
Activated projects	2.9	2.0

3.5.6 Non-current operating income and expenses

Non-current income and expenses break down as follows:

(in thousands of euros)	12/31/2024	12/31/2023
NON - CURRENT OPERATING EXPENSES		
Net cost related to the abandonment of an HR project	(4,260)	
Net expense related to the sale of LISI AUTOMOTIVE NOMEL	(12,394)	
Net expense related to the costs of closing the LISI AUTOMOTIVE HEBEI (China) site	(193)	
Net expense related to the costs of closing the LISI AUTOMOTIVE NOMEL site located in Dreux	(945)	
Net restructuring and reorganization expenses	(4,889)	(3,842)
Other non-current operating income and expenses	(413)	(470)
OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	(23,094)	(4,312)

The rules for presenting and defining non-current income and expenses remain unchanged compared to December 31, 2023.

Non-recurring operating income and expenses for 2024 mainly concern the exit costs of LISI AUTOMOTIVE Nomel

(see Section 3.3.1), and the termination of a project to deploy human resources management software for all Group subsidiaries impacted non-recurring expenses to the tune of €4.3 million.

3.5.7 Net finance income (expense)

(in thousands of euros)

	12/31/2024	12/31/2023
FINANCING EXPENSES AND REVENUE ON CASH		
Revenue on cash	4,111	1,652
Impact of the change in fair value of positive interest rate hedges	446	
Impact of the change in fair value of negative interest rate hedges	(127)	(1,473)
Financing expenses	(31,214)	(20,385)
SUBTOTAL INCOME FROM CASH AND CASH EQUIVALENTS	(26,784)	(20,206)
OTHER FINANCIAL INCOME AND EXPENSES		
Foreign exchange gains	35,066	11,416
Foreign exchange losses	(19,931)	(23,294)
Impact of the change in fair value of currency hedges	(3,518)	6,913
Other	(734)	(450)
SUBTOTAL OTHER FINANCIAL INCOME AND EXPENSES	10,883	(5,415)
NET FINANCE INCOME (EXPENSE)	(15,901)	(25,621)

The financial loss stands at -€15.9 million (-€25.6 million in 2023); this is mainly due to the following factors:

- the effects linked to the revaluation of debts and receivables in foreign currencies and the change in the fair value of hedging instruments (+€11.2 million versus -€6.9 million in 2023),
- financial expenses, which represent the cost of long-term net debt, amounted to -€31.1 million (-€20.4 million in

2023). In particular, they were increased by the cost of financing the Public Share Buyback Offer conducted in May 2023 (€6.8 million in 2023; €11.3 million in 2024). Gains on current treasury investments are €4.0 million, higher than those of 2023 (€1.7 million).

Net financial expenses compared to debt excluding IFRS 16 represent 5.8% (4.1% in 2023).

Cost of finance and other financial charges and income

The cost of finance includes:

- interest charges on loans calculated using the effective interest rate method,

- interest expenses related to IFRS 16,
- interest income generated from current investments,
- changes in fair value of financial instruments.

3.5.8 Income tax

Income tax (expense or income) includes:

- The corporate income tax expense (income) to be paid for each fiscal year and the deferred tax expense (income). Tax is recognized in profit or loss unless it relates to items that are recognized directly in other comprehensive income.
- Deferred taxation is calculated using the variable carry forward method for all timing differences at year-end between taxable and accounting values of assets and liabilities on the consolidated balance sheet. Goodwill that is not amortizable for tax purposes does not give rise to the recognition of deferred tax.

Deferred tax assets are only recognized if their recovery is probable within a reasonable time period. Deferred tax assets

and liabilities are measured at the tax rates in effect at the time of the settlement of the temporary differences. Notably, a deferred tax asset on loss carryforwards is recognized only as far as it is likely that the relevant subsidiary or its tax consolidation scope will have future taxable profits to which tax loss carryforwards can be attributed.

- The Group decided to classify the CVAE (French tax on Companies' Added Value) as a tax on income to be entered in the scope of application of IAS 12. This choice ensures consistency with the accounting treatment applied to similar taxes in other countries.

Revenues related to the research tax credit are classified in the income statement under "Other income".

3.5.8.1 - Breakdown of tax

Breakdown (in thousands of euros)	Pre-tax earnings	Tax*	Profit (loss) after tax
Current profit (loss)	99,133	(22,041)	77,092
Non-current operating expenses and revenues	(23,094)	2,756	(20,338)
Tax credits		26	26
CVAE (Tax on companies' added value)		(1,356)	(1,356)
PROFIT (LOSS) FOR THE PERIOD	76,039	(20,615)	55,424

* of which taxes payable: -€21,257 thousand
of which deferred tax: +€2,449 thousand

3.5.8.2 - Tax proof

Tax proof at 12/31/2024	12/31/2024	12/31/2023
Earnings attributable to the Group	56.0	37.5
Minority interests	0.6	0.9
Income tax recognized (income tax+income tax credit+deferred tax+CVAE)	20.6	24.1
Profit (loss) before income tax	76.0	60.7
Parent company standard rate	25.83 %	25.83 %
Theoretical income tax /rate at 25.83%	19.6	15.7
DIFFERENCE		
Effect of permanent differences	2.3	(0.4)
Impact of research tax credits	(1.3)	(1.3)
CVAE effect (contribution on the added value of companies)	1.0	1.1
Effects of differences between foreign and French tax rates		(1.7)
Impact of unrecognized taxes	(1.5)	8.4
Pillar 2	0.2	
Dividend effects - non-deductible portion	1.9	3.1
Other effects	(1.6)	(0.8)
INCOME TAX RECORDED TO THE INCOME STATEMENT (INCL. CVAE)	20.6	24.1
EFFECTIVE TAX RATE (INCOME TAX EXPENSE RECORDED IN INCOME BEFORE TAX)	27.1 %	39.7 %

3.5.8.3 - Tax rates applicable by LISI Group companies

	2024	2023
Germany	30.00 %	30.00 %
England	25.00 %	25.00 %
Canada	26.90 %	26.90 %
Spain	25.00 %	25.00 %
United States	21.00 %	21.00 %
France	25.83 %	25.83 %
Czech Republic	19.00 %	19.00 %
China	25.00 %	25.00 %
Mexico	30.00 %	30.00 %

3.5.9 Earnings per share

Net earnings per share (before dilution) is calculated on the ratio between the net profit for the period and the weighted number of shares in circulation during the period, after deduction of shares held by the Group (treasury shares). Net diluted earnings per share are calculated by including financial instruments that

provide deferred access to the Group's capital (stock options, share warrants, performance shares).

The tables below indicate the reconciliation between the non-diluted and the diluted earnings per share:

As of 12/31/2024 (in thousands of euros)	Profit (loss) for the period	Number of shares	Net profit (loss) per share in euros
Total shares		46,538,313	
Treasury shares		(979,486)	
BASIC EARNINGS PER SHARE	56,006	45,558,827	1.23
Restatement of performance shares being awarded		942,060	
DILUTED EARNINGS PER SHARE	56,006	46,500,887	1.20

As of 12/31/2023 (in thousands of euros)	Profit (loss) for the period	Number of shares	Net profit (loss) per share in euros
Total shares		46,538,313	
Treasury shares		(1,064,830)	
BASIC EARNINGS PER SHARE	37,533	45,473,483	0.83
Restatement of performance shares being awarded		965,910	
DILUTED EARNINGS PER SHARE	37,533	46,439,393	0.81

3.6 Other information

3.6.1 Segment information

The LISI Group presents its segment information in accordance with the criteria defined by IFRS 8. The Group's activities are spread over three business segments, in which the three divisions operate:

- LISI AEROSPACE, which combines all the activities in the aerospace market,

- LISI AUTOMOTIVE, which combines all the activities in the automotive market,
- LISI MEDICAL, which covers all activities in the medical market.

"Others" mainly includes the activities of the Group's parent company.

3.6.1.1 - Breakdown by business segment

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL
12/31/2024					
INCOME COMPONENT					
Revenue by business sector*	1,030,092	579,699	185,312	(1,053)	1,794,050
EBITDA	135,314	51,410	28,219	(3,114)	211,829
Depreciation allowance and provisions	49,579	34,239	11,892	1,085	96,795
Current operating profit (EBIT)*	85,735	17,170	16,327	(4,198)	115,034
Operating profit	82,700	1,801	16,298	(8,859)	91,940
PROFIT (LOSS) FOR THE PERIOD	42,976	(11,064)	11,325	12,187	55,424
BALANCE SHEET COMPONENT					
Working capital requirement	226,933	86,644	28,377	26,021	367,975
Net fixed asset	761,646	392,682	182,493	(100,832)	1,235,989
ACQUISITIONS OF FIXED ASSETS	58,411	31,706	16,629	55	106,801

* After allocation of all holding division and Group costs, potentially increased by a margin.

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL
12/31/2023					
INCOME COMPONENT					
Revenue by business sector*	838,913	610,444	181,949	(862)	1,630,444
EBITDA *	95,792	52,066	31,641	(1,303)	178,197
Depreciation allowance and provisions	45,553	30,363	10,797	801	87,514
Current operating profit (EBIT)*	50,239	21,703	20,844	(2,103)	90,683
Operating profit	46,530	21,641	20,844	(2,645)	86,370
PROFIT (LOSS) FOR THE PERIOD	19,654	6,833	15,060	(4,880)	36,667
BALANCE SHEET COMPONENT					
Working capital requirement	205,830	88,935	30,071	29,782	354,618
Net fixed asset	730,064	394,052	167,411	(94,123)	1,197,404
ACQUISITIONS OF FIXED ASSETS	52,156	29,426	17,168	139	98,889

* After allocation of all holding division and Group costs, potentially increased by a margin.

3.6.1.2 - Breakdown by business segment and country

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL
12/31/2024					
INCOME COMPONENT					
REVENUE BY DESTINATION AREA					
European Union	656,424	351,665	71,057	(1,053)	1,078,093
Of which France	443,595	110,028	7,078	(1,053)	559,648
Of which Germany	68,727	112,781	16		181,508
Of which United Kingdom	67,927	8,329	23		76,256
North American continent	308,650	147,103	107,045		489,512
Other countries	65,018	154,217	7,209		226,444
Of which China	12,851	39,600			52,451
TOTAL	1,030,092	579,699	185,312	(1,053)	1,794,050
BALANCE SHEET COMPONENT					
NET FIXED ASSETS BY DESTINATION AREA					
European Union	443,551	244,840	63,428	(100,832)	650,987
of which France	414,960	147,276	63,428	(100,832)	524,832
Of which Germany		58,027			58,027
Of which United Kingdom	16,329				16,329
		24,191			24,191
North American continent	286,976	129,851	119,065		36,950
Africa	5,544	6,616			535,892
Asia	25,575	11,375			12,160
TOTAL	761,646	392,682	182,493	(100,832)	1,235,989
FLows PROVIDED BY OR USED FOR ACQUISITION OF FIXED ASSETS BY DESTINATION AREA					
European Union	46,858	19,286	5,096	55	71,295
of which France	42,854	11,034	5,095	55	59,038
Of which Germany		2,922			2,922
Of which United Kingdom	3,695				3,695
		4,368			4,368
North American continent	2,479	2,093			4,572
Africa	8,255	9,403	11,533		29,191
Asia	819	924			1,743
TOTAL	58,411	31,706	16,629	55	106,801

(in thousands of euros)	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	Other	TOTAL
12/31/2023					
INCOME COMPONENT					
REVENUE BY DESTINATION AREA					
European Union	516,163	367,080	64,929	(862)	947,310
of which France	354,778	118,605	6,863	(650)	479,596
Of wich Germay	52,959	113,919	7		166,878
Of wich United Kindom	57,934	8,789	23		66,723
North American continent	260,727	162,067	113,425		536,219
Other countries	62,023	135,369	3,595		200,987
Of wich China	9,175	44,016			53,191
TOTAL	838,913	610,444	181,949	(862)	1,630,444
BALANCE SHEET COMPONENT					
NET FIXED ASSETS BY DESTINATION AREA					
European Union	426,638	257,832	61,611	(94,123)	651,958
of which France	401,151	159,758	61,611	(94,123)	528,397
Of wich Germay		59,451			59,451
Of wich United Kindom	12,776				12,776
		23,144			23,144
North American continent	273,295	118,658	105,800		497,753
Africa	5,135	6,265			11,400
Asia	24,996	11,297			36,293
TOTAL	730,064	394,052	167,410	(94,123)	1,197,404
FLOWS PROVIDED BY OR USED FOR ACQUISITION OF FIXED ASSETS BY DESTINATION AREA					
European Union	44,512	19,710	3,462	139	67,823
of which France	42,624	12,613	3,461	139	58,838
Of wich Germay		3,958			3,958
Of wich United Kindom	1,455				1,455
		2,057			2,057
North American continent	5,100	6,609	13,706		25,415
Africa	151	1,305			1,456
Asia	2,393	1,802			4,195
TOTAL	52,157	29,425	17,168	139	98,889

3.6.2 Share-based payments

3.6.2.1 - Share purchase options

The Company had no stock options plans at December 31, 2024.

3.6.2.2 - Allocation of shares subject to performance conditions

The Group has implemented bonus share plans based on performance for certain employees and managers. The objective of these plans is to create an additional incentive to improve the Group's performance, retain key managers and align the interests of management and shareholders.

In order to reward certain employees who have spent most of their career at the LISI Group, and who have actively participated in its development, the Group has also set up free share plans as part of their retirement plan.

The amount of the future expense is recognized in personnel expenses in proportion to the rights acquired since the grant date for all LISI Group employees concerned.

This expense is valued on the basis of the share price on the day the Board of Directors approved the allocation of the plan.

Free share plans

On the proposal of the NRG (Nominations, Compensation and Governance) Committee, the Board of Directors of LISI decided on December 8, 2022 to allocate 6,900 free shares to the Deputy CEO as part of the end of his operational mandate.

The Board of Directors, which meet in February 2025, duly noted the definitive allocation of these Free shares.

AASCP plans

Acting on the proposal of the NRG (Nominations, Compensation and Governance) Committee, LISI's Board of Directors decided, on December 8, 2022, to allocate performance shares to members of the Executive Committee and to members of the main Management Committees for the three LISI Group divisions, subject to their meeting certain performance targets.

The Board of Directors, which met on February 26, 2025, approved the financial results of the LISI Group and its divisions. The Board also noted the CSR performance achieved.

In total, the performance criterion rate of the 22C24 plan for the LISI Group is 70% and represents a total vesting of 122,975 LISI shares.

Plans of a similar nature were put in place for 2022, 2023 and 2024. The Board of Directors' meetings of December 8, 2022, December 7, 2023 and December 5, 2024 approved the opening of these new plans under similar conditions.

Loyalty plan

The LISI Group relies on the contribution of an experienced management team and wishes to retain these high-potential employees who constitute a united and motivated group of talented people.

To this end, a single loyalty plan has been put in place for the 39 employees of the Group.

IFRS 2 requires the recognition of an expense equal to the value of the instrument granted. The counterpart is recorded as an equity item. This expense is spread over the period between the grant date of the shares and the vesting date.

The valuation of this plan takes into account the performance criteria on the one hand and is also updated according to the departures of employees.

The total fair value of the benefits thus granted is recognized in personnel expenses for an amount of -€2.5 million in 2024, with a counterpart in shareholders' equity.

This cost was not allocated to the divisions and remains an expense at the LISI S.A. level until the definitive realization of the plan.

3.6.3 Share purchase plans for employees

A share purchase plan (Group Savings Plan) is also available for all Group employees, in which they may purchase LISI shares within the framework of a capital increase reserved for employees or as part of a share repurchase program. Shares acquired by employees within the framework of these programs are subject to certain sale and transfer restrictions.

In the case of capital increases reserved for employees as part of the Group Savings Plan, the benefit offered to employees is the discount on the subscription price, being the difference between the subscription price of the shares and the share price at the award date (with a maximum of 20% in accordance with French law). This expense is recognized in its entirety at subscription date in the case of the Group Savings Plan.

No plans of this type were implemented during the 2024 fiscal year.

3.6.4 Information on related parties/Remuneration of members of management bodies

3.6.4.1 - Information on related parties

Related parties include the parent company, company managers, directors, and Board members. There is no other jointly owned entity or entity recognized by the equity method, or joint shareholder, or business under joint control or significant influence with which the LISI Group may have carried out transactions worthy of investigation.

The only relationship of the Group with its parent company (CID) is through the capital holding. However, LISI S.A. provides assistance to its subsidiaries in accounting, financial, strategic and legal matters.

3.6.4.2 - Compensation of members of the management bodies

(in thousands of euros)	Expenses for the period		Liabilities	
	2024	2023	2024	2023
Gross current benefits (salaries , bonuses, etc.)	823	1,038		
Post-employment benefits (IFC)		(208)	213	207
Other non-current benefits				
Termination benefits				
Share-based benefits	92	136		
TOTAL REMUNERATION	915	966	213	207

The main directors will receive remuneration in the form of current benefits, post-employment benefits and share-based payments. With regard to this category, in 2023 and 2024, Mr. Emmanuel VIELLARD, CEO of LISI S.A. received performance shares in accordance with the same terms and conditions as other members of the division General Management Committees.

With regard to the share grant plans, the corporate officers shall retain in nominative form 20% of any performance shares which may have been allocated to them until the end of their term of office.

Concerning the retirement lump sums, no specific benefit is contractually agreed upon, apart from the severance payments.

3.6.5 Financial and market instruments

The main risks covered by the Group's financial instruments are the foreign exchange risk, raw materials risk and the interest rate risk (see Section 3.4.9).

Derivatives that do not meet the hedge criteria are valued and recorded at their fair value through profit or loss. The profit or loss arising from the re-evaluation at fair value is immediately posted to the income statement.

When a derivative is designated as a hedge for cash flow variations of a recognized asset or liability, or of a highly probable, expected transaction, the effective share of

change in fair value of the derivative is recognized in Other elements of comprehensive income (shareholders' equity). Accumulated, associated profits or losses are taken out of shareholders' equity and included in the income statement of the period(s) during which the covered transaction affects the profit or loss.

The fair value recognized as at December 31, 2024 of the derivatives used in market risk management is detailed below:

(in thousands of euros)	12/31/2024		12/31/2023	
	On the assets side	On the liabilities side	On the assets side	On the liabilities side
INTEREST RATE RISK MANAGEMENT				
Variable rate payers' swaps		546		925
MANAGEMENT CURRENCY RISK				
Foreign exchange derivatives	20	2,243	3,415	571
RAW MATERIALS RISK MANAGEMENT				
Raw materials derivatives		321		181
TOTAL	20	3,110	3,415	1,677

3.6.5.1 - Commodity price risk

At December 31, 2024, the Group hedged part of the risk on its future purchases of nickel raw materials. The fair value of the derivatives used (raw materials swaps) at closing was -€321 thousand.

3.6.5.2 - Foreign exchange risk

Overall, the Group is subject to two types of foreign exchange risk:

- Outside the EUR and USD zones, it has production facilities in a dozen countries, in which the majority of the sales of its subsidiaries are denominated in EUR or in USD, whereas their costs are mainly denominated in local currency, which is the GBP, CAD, TRY, CZK and, to a lesser extent, the MAD, CNY, INR and PLN, giving rise to a cash requirement in local currencies. If these currencies were to increase in value it would affect the financial performance of the Group;

- USD ranks second in terms of amount invoiced in that currency by the Group, after the EUR, mainly in LISI AEROSPACE. Invoicing in other currencies is not significant at the Group scale. A weakening of the USD would affect the Group's economic performance.

In order to protect its results, the Group is implementing a hedging policy aimed at reducing the factors of uncertainty affecting its operational profitability and at giving it the time necessary to adapt its costs to any unfavorable monetary environment.

Hedging of the foreign exchange risk on local currencies

The Group has very good visibility over its local currency requirements. Equally, its hedging policy is based on the management of a portfolio of financial instruments, which

enable it to protect itself against a rise in the rate of local currencies. The hedging horizon is 12-24 months.

Hedging of USD currency risk

As indicated above, the generation of USD arises mainly from LISI AEROSPACE, which benefits from long-term contracts providing for invoicing in this currency. The hedging policy is based on the management of a portfolio of financial instruments to secure a guaranteed average hedging rate. The hedging horizon may extend over up to five years.

The main hedging instruments used by the Group to manage foreign exchange risk are forward sales, purchases and sales of options, and structured products. Currency hedging instruments outstanding at December 31, 2024 were as follows:

	Notional at 12/31/2024		Notional at 12/31/2023	
	Currency	EUR	Currency	EUR
GBP	22,800	27,497	24,000	27,616
CAD	30,000	20,070	27,000	18,440
CZK	252,000	10,006	244,800	9,901
TRY		(92,000)	72,000	2,205
USD	52,600	50,630	96,200	87,059
TOTAL		16,203		145,222

The currency derivatives portfolio by maturity and the fair value recorded in the Group's consolidated financial statements break down as follows:

	12/31/2024					12/31/2023				
	Fair value ⁽¹⁾	Notional amount ⁽²⁾	Less than 1 year	From 1 to 5 years	More than 5 years	Fair value ⁽¹⁾	Notional amount ⁽²⁾	Less than 1 year	From 1 to 5 years	More than 5 years
Long position of GBP against USD	(0.7)	22.8	22.8			1.1	24.0	24.0		
Long position of CAD against USD	(0.7)	30.0	30.0			0.5	27.0	27.0		
Long position of TRY against EUR						(0.6)	72.0	72.0		
Long position of CZK against EUR		252.0	252.0			(0.1)	244.8	244.8		
Long position of EUR against USD	(0.9)	52.6	41.6	11.0		2.0	96.2	65.6	30.6	
TOTAL	(2.2)					2.8				

(1) Fair value amounts are expressed in millions of euros.

(2) Maximum notional amounts are expressed in millions in currencies.

3.6.6 Commitments

The Group draws up annually a detailed list of all contractual commitments, financial and commercial commitments, and contingent liabilities to which LISI S.A. and/or its subsidiaries are party or exposed. This list is regularly updated by the departments concerned and reviewed by Group Management. In order to ensure that the information on this list is complete, accurate and consistent, special control procedures have been implemented including in particular:

- the regular examination of the minutes of General Meetings, Board Meetings, and meetings of associated Committees that deal with contractual commitments, disputes and authorizations for the purchase or disposal of assets;
- review of sureties and guarantees as well as loan agreements and any other banking commitments, in conjunction with the banks and financial institutions;
- review, together with both internal and external legal counsels, of disputes and legal proceedings before the courts, environmental questions, and the measurement of liabilities that might arise;
- examination of tax inspectors' reports and reassessment notices from previous fiscal years;
- examination, together with those in charge of risk management, insurance brokers and agents of the insurance companies with which the Group has taken out its insurance policies to cover risks in respect of contingent liabilities;
- examination of transactions with related parties in respect of guarantees or other commitments given or received;
- in general, review of all contracts and contractual commitments.

3.6.6.1 - Commitments given in the course of day-to-day operations

Commitments made:

The commitments given in the context of ordinary operations are as follows:

In thousands of euros	2024	2023
Balance of investment orders	61,435	96,774
COMMITMENTS MADE	61,435	96,774

3.6.6.2 - Commitments given and received in connection with the acquisition of TERMAX

Following the amendment of the initial acquisition agreement signed on June 26, 2020, of TERMAX LLC, LISI HOLDING NORTH AMERICA repurchased the 49% remaining shares on July 24, 2020 (fully paid at the end of the year).

For their part, the sellers undertook to compensate LISI HOLDING NORTH AMERICA, subject to an overall deductible of US\$200 thousand for any damage that may be related to, notably:

- an environmental and tax risk, up to the amount of the purchase price of the 51% stake,
- a labor risk of US\$5 million.

This commitment will end on October 31, 2027, with the exception of the tax guarantee which will expire at the end of the legal limitation period.

3.6.6.3 - Guarantees given in connection with the sale of LACE

As part of the sale of LACE, a liability guarantee commitment was given by LISI AEROSPACE STRUCTURAL COMPONENTS.

The tax guarantee will expire on January 31, 2025.

3.6.6.4 - Commitment received as part of the sale of INDRAERO SIREN and LISI AEROSPACE CREUZET MAROC

As part of the sale of INDRAERO SIREN and LISI AEROSPACE CREUZET MAROC, the buyer agreed to pay Group LISI an additional amount of maximum €13 million depending on the subsequent disposal value. This commitment is valid for a 10-year period, *i.e.* until July 3, 2029.

This commitment received had no impact on the 2024 financial statements.

3.6.6.5 - Commitment given and received as part of the minority investment in the Watch Out project

LISI AEROSPACE invested €10 million in Holding WatchOut Inc. in exchange for a minority stake and committed to an additional subscription of €5 million in Holding WatchOut Inc's capitalization transaction with a view to the development of the automation of production using "close door" machines. Discussions are under way to determine the share of capital represented by these investments.

In this context, Holding WatchOut Inc has undertaken to compensate LISI AEROSPACE in the event of a breach of the guarantees granted, notably in terms of social, tax (this issue was reciprocally defined) and environmental matters. These commitments received are valid for a period of two to five years depending on the guarantees concerned, *i.e.* until May 16, 2029 at the latest.

3.6.6.6 - Other commitments

Other commitments relate to loan agreements that provide for early repayment in the event of non-compliance

with financial covenants. Details of these borrowings are provided in Section 3.4.5.

3.7 Currency exchange rates applied by foreign subsidiaries

		12/31/2024		12/31/2023	
		Closing rate	Average rate	Closing rate	Average rate
US dollar	CAD	1.4948	1.4835	1.4642	1.4620
Sterling	CNY	7.5833	7.7733	7.8509	7.6839
Yuan	CZK	25.1850	25.1561	24.7240	23.9709
Canadian dollar	GBP	0.8292	0.8450	0.8691	0.8669
Zloty	HKD	8.0686	8.4315	8.6314	8.4802
Czech crown	INR	88.9335	90.5176	91.9045	89.4343
Moroccan dirham	MAD	10.5190	10.7528	10.9445	10.9592
Indian rupee	MXN	21.5504	20.0134	18.7231	19.0658
Mexican pesos	PLN	4.2750	4.3021	4.3395	4.5234
Turkish Lira	USD	1.0389	1.0808	1.1050	1.0829
Hong Kong dollar	TRY	36.7372	35.7584	32.6531	26.2584

4 Statutory Auditors' reports

4.1 Statutory Auditors' report on the consolidated financial statements – Fiscal year ended December 31, 2024

Opinion

Pursuant to the assignment entrusted to us by your General Meeting, we have conducted the audit of the consolidated financial statements of LISI regarding the fiscal year ended December 31, 2024, as appended to this report.

We certify that the consolidated financial statements for the period are, in respect of the IFRS standard as adopted in the European Union, correct and genuine and give a true

and fair view of the earnings derived from the Company's activity during the fiscal year, as well as the financial position and the assets and liabilities at the end of the fiscal year, of all consolidated companies of the consolidated group.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

■ Audit repository

We have carried out our audit in accordance with the professional standards in use in France. We consider that the items we have gathered from both a sufficient and an appropriate basis for our opinion.

Our responsibilities under these standards are specified in the Section "Responsibilities of Statutory Auditors relating to the audit of the consolidated financial statements" of this report.

■ Independence

We have conducted our audit in compliance with the rules of independence applicable to us under the provisions of the French Commercial Code and the French Code of Ethics for Auditors, for the period running from January 1, 2024 to the date of issue of this report, and we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided to these risks.

The assessments thus made are part of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements of these consolidated financial statements taken separately.

■ Goodwill – Impairment test

Key audit matter

At December 31, 2024, the net value of goodwill amounted to €419,379 thousand for a balance sheet total of €2,210,283 thousand. This goodwill corresponds to the difference between the consideration transferred at the time of the business combination and your Group's interest in the fair value, at the acquisition date, of the identifiable assets and liabilities of the acquired companies, as mentioned in Note 3.4.1.1 to the consolidated financial statements.

Goodwill is subject to an impairment test at each year-end and each time that a risk of impairment is identified. Notes 3.4.1 and 3.4.1.1 to the consolidated financial statements describe the methods and assumptions (cash flow, discount rate, growth rate) of this test. For the purposes of this test, goodwill is allocated to each of the groups of cash-generating units (CGUs) corresponding for your Group, to the three divisions, LISI Aerospace, LISI Automotive and LISI Medical. The recoverable value of each of the groups of CGUs is compared to the net book value of the corresponding assets.

The recoverable amount is defined as the higher of the realizable value and the value in use. If the recoverable value is lower than the net book value of the CGU group tested, the discrepancy is recognized as impairment.

The determination of the recoverable value of the goodwill of the groups of CGUs, which represent a particularly significant amount, is largely based on your Group's judgment, particularly with regard to the growth rate used for the cash flow projections and the discount rate applied to them. We therefore considered the valuation of the goodwill of the groups of CGUs to be a key audit matter.

Audit response provided

We reviewed the process used to prepare and approve the estimates and assumptions made by management to determine the recoverable value of goodwill allocated to groups of CGUs.

Our work consisted of:

- assessing the implementation of this process;
- assessing the completeness of the items making up the net carrying amount of the CGUs tested and the consistency of the determination of this value with the way in which cash flow projections were determined for utility value;
- examining the reasonable nature of the discount rates and growth rates used by management by comparing them with our own estimates of these rates, as established in conjunction with our own specialists;
- examining, on a sample basis, the future cash flows used, in light of the budgetary data and the four-year strategic plan presented to the Board of Directors, the historical results as well as the economic and financial context in which your Group operates;
- checking, using sample testing techniques, the mathematical correctness of the impairment tests performed by management.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations on the information relating to the Group provided in the management report by the Board of Directors.

We have no comments to make on their sincerity and consistency with the consolidated financial statements.

Other verifications or information required by current laws and regulations

■ Format of presentation of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standards relating to the work of statutory auditors on annual and consolidated financial statements presented in single European electronic reporting format, we also verified compliance with this format, as defined by Delegated European Regulation 2019/815 of December 17, 2018 on the presentation of consolidated financial statements included in the annual financial report mentioned in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

On the basis of our work, we concluded that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the single European electronic reporting format. It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

■ Auditors' appointment

We were appointed as Statutory Auditors of LISI by your General Meeting of April 12, 2023 for KPMG SA and of April 27, 2011 for ERNST & YOUNG et Autres.

As of December 31, 2024, KPMG S.A. was in the second year of its uninterrupted mission and ERNST & YOUNG et Autres in the fourteenth year of its mission.

Responsibilities of management and of those charged with corporate governance in relation to the consolidated financial statements

It is management's responsibility to draw up the consolidated financial statements giving a true and fair view in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union, and to put in place the internal control that it deems necessary for drawing up the consolidated financial statements free of material misstatements, whether due to fraud or error.

When drawing up the consolidated financial statements, it is the responsibility of management to assess the company's capacity to continue its operations, to present in these financial statements, if applicable, the necessary information on the going concern assumption and to apply

the going concern principle, unless it is planned to wind up the company or discontinue its operation.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and the effectiveness of internal control and risk management systems, and, if applicable, the internal audit systems, with regard to the procedures concerning the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of Auditors relating to the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain a reasonable assurance that the consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards systematically ensures that any material misstatement is detected. Misstatements may be due to fraud or errors and are considered as material where it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L.821-55 of the French Commercial Code, our task of certifying the financial statements does not consist in guaranteeing the viability or the quality of the management of your company.

As part of our audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his professional judgment throughout this audit. Furthermore:

- the Statutory Auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to tackle these risks, and gathers the information that he/she deems sufficient and relevant to form his/her opinion. The risk of non-detection of a material misstatement arising from a fraud is higher than that of a material misstatement arising from an error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the circumvention of internal control;
- he/she reviews the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not with the objective of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the disclosures provided in the consolidated financial statements;
- he/she assesses the appropriateness of the application by management of the accounting principle of going concern and, based on the information gathered, the existence or non-existence of a significant uncertainty relating to events or circumstances likely to undermine the company's ability to continue its operation. This assessment is based on information compiled up to the date of his/her report, it being specified however that subsequent circumstances or events may undermine the company's ability to continue as a going concern. If he/she concludes that there is a significant uncertainty, he/she draws the attention of readers of his report on the information provided in the consolidated financial statements regarding this uncertainty or, if such information is not provided or is not relevant, he/she issues a qualified opinion or refuses to certify;
- he/she assesses the overall presentation of the consolidated financial statements and appraises whether the consolidated financial statements reflect the underlying transactions and events such as to give a true and fair view;
- as regards the financial information of companies included in the scope of consolidation, he/she gathers the information that he/she deems sufficient and relevant to express an opinion on the consolidated financial statements. He/she is responsible for the management, supervision and conduct of the audit of the consolidated financial statements and of the opinion expressed on these financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee presenting the scope of the audit work and the program of work implemented, as well as the findings following from our work. We also inform the Committee, where applicable, of significant weaknesses in internal control that we have identified as regards procedures relating to the preparation and processing of accounting and financial information.

The report to the Audit Committee includes information on the risks of material misstatements that we deemed to have been the most important for the audit of the consolidated financial statements for the fiscal year and which constitute the key audit matters that we have to describe in this report.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No.537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in Articles L.821-27 to L.821-34 of the French Commercial Code and in the

French Code of Ethics for Auditors. Where necessary, we discuss the risks to our independence and the safeguard measures applied with the Audit Committee.

The report to the Audit Committee includes information on the risks of material misstatements that we deemed to have been the most important for the audit of the consolidated financial statements for the fiscal year and which constitute the key audit matters that we have to describe in this report.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No.537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Auditors. Where necessary, we discuss the risks to our independence and the safeguard measures applied with the Audit Committee.

The Statutory Auditors

Schiltigheim, April 3, 2025
KPMG
Stéphane Devin
Partner

Paris La Défense, April 3, 2025
ERNST & YOUNG et Autres
Henri-Pierre Navas
Partner



3

Separate financial statements



Separate financial statements

Contents

1	Income statement at 12/31/2024	123
2	Balance sheet at 12/31/2024	124
3	Cash flow statement at 12/31/2024	125
4	Change in shareholders' equity at 12/31/2024	125
5	Notes to the separate financial statements	126
5.1	2024 highlights	126
5.2	Accounting principles and policies	126
5.3	Breakdown of statement of financial position	127
5.4	Breakdown of main income statement items	128
5.5	Other information	133
5.6	Events occurring since the close of the fiscal year	136
5.7	2025 outlook	136
5.8	Financial risks related to the effects of climate change	136
6	LISI S.A.'s financial results over the last five fiscal years	137
7	Supplier and customer terms of payment	138
8	Statutory Auditors' Report on the annual financial statements – Fiscal year ended December 31, 2024	139

1 Income statement at 12/31/2024

(in thousands of euros)	Notes	2024	2023
REVENUE EXCL. TAX		11,246	11,089
Operating income	5.4.1	12,142	12,280
External costs	5.4.2	(7,757)	(5,585)
Taxes and duties	5.4.2	(376)	(427)
Employee benefits expense	5.4.2	(6,740)	(6,936)
Other charges	5.4.2	(479)	(468)
Depreciation, provisions	5.4.2	(3,919)	(1,257)
OPERATING PROFIT		(7,129)	(2,393)
Finance income			
– equity investments		70,793	57,150
– other interest and similar income		3,937	1,677
– positive exchange rate differences		21,263	8,153
– from disposal of marketable securities		298	307
– reversal of provisions		503	639
Financial expenses			
– other interest and similar expenses		(34,930)	(25,946)
– negative exchange rate differences		(13,302)	(17,004)
– from disposal of marketable securities		(309)	(127)
– increase in provisions		(1)	(503)
NET FINANCE INCOME (EXPENSE)	5.4.3	48,252	24,345
CURRENT PROFIT BEFORE TAX		41,123	21,952
Extraordinary earnings			
– reversal of provisions		682	626
Extraordinary charges			
– on operating items		(797)	(750)
– increase in provisions		–	–
NON-OPERATING PROFIT (LOSS)		(115)	(124)
Income tax	5.4.4	18,873	8,757
NET PROFIT (LOSS)		59,881	30,585

2 Balance sheet at 12/31/2024

ASSETS (in thousands of euros)	Notes	2024	2023
NON-CURRENT ASSET			
Intangible fixed assets	5.3.1	1,071	1,071
Property, plant, and equipment	5.3.1	2,783	2,734
Financial investments	5.3.2	213,198	216,408
Amortization and depreciation	5.3.1 & 5.3.3	(2,814)	(2,487)
TOTAL NET NON-CURRENT ASSETS		214,238	217,726
CURRENT ASSETS			
Trade receivables	5.3.4	8,181	8,361
Other debtors	5.3.4	11,564	12,372
Subsidiaries' current accounts	5.3.4	572,544	517,427
Tax credit	5.3.4	11,257	10,797
Marketable securities	5.3.5	13,859	14,214
Cash	5.3.6	129,330	83,271
Provisions for write-down of marketable securities		–	–
TOTAL CURRENT ASSETS		746,734	646,442
Deferred charges		166	212
Translation differences assets		1	503
TOTAL ACCRUALS		167	715
TOTAL ASSETS		961,139	864,883

LIABILITIES	Notes	2024	2023
SHAREHOLDERS' EQUITY			
Share capital		18,615	18,615
Reserves		1,882	1,882
<i>of which legal reserve</i>		1,861	1,861
Balance carried forward		45,679	29,289
Profit (loss) for the period		59,881	30,585
TOTAL SHAREHOLDERS' EQUITY	4	126,057	80,371
PROVISIONS FOR RISKS AND CHARGES	5.3.9	4,472	2,124
Debt			
Sundry loans and financial debts (*)	5.3.4	523,188	512,199
Subsidiaries' current accounts	5.3.4	293,557	258,976
Accounts payable and apportioned accounts	5.3.4	3,483	4,164
Tax and statutory payments	5.3.4	3,509	3,056
Other creditors	5.3.4	48	176
TOTAL DEBT		823,784	778,572
Deferred income		–	–
Translation differences liabilities		6,825	3,816
TOTAL ACCRUALS		6,825	3,816
TOTAL LIABILITIES		961,139	864,883
(*) of which short-term banking facilities		(3,099)	(13,316)

3 Cash flow statement at 12/31/2024

(In thousands of euros)	2024	2023
Operating activities		
Operating cash flow	62,556	31,110
Effect of changes in accounts receivable and accounts payable	3,836	(12,933)
CASH FLOW FROM OR USED FOR OPERATIONS (A)	66,392	18,177
CAPEX		
Cash used to acquire tangible and intangible fixed assets	(50)	(109)
Cash received from the disposal of tangible and intangible fixed assets	–	–
Change in other financial assets	(500)	–
Cash payments and collections from loans to subsidiaries	3,711	9,239
CASH FLOW FROM OR USED FOR INVESTING ACTIVITIES (B)	3,161	9,130
Financing operations		
Reduction following OPRA 2023		(204,552)
Dividends paid to shareholders of the parent company	(14,195)	(7,996)
Cash received from new loans	106,127	268,358
Repayment of loans	(85,029)	(62,344)
CASH FLOW FROM OR USED FOR FINANCING ACTIVITIES (C)	6,903	(6,524)
Impact of reclassification of receivables related to investments (D)		
CHANGE IN CASH (A+B+C+D) *	76,456	20,783
Cash at January 1 (E)	342,620	321,836
Cash at December 31 (A+B+C+D+E)	419,076	342,620
Marketable securities	13,859	14,214
Cash, subsidiaries' current accounts	701,873	600,698
Banking facilities, subsidiaries' current accounts	(296,656)	(272,292)
CLOSING CASH POSITION **	419,076	342,620

4 Change in shareholders' equity at 12/31/2024

(in thousands of euros)	
AS OF 12/31/2022	262,334
Profit (loss) for the period	30,585
Dividends paid	(7,996)
Reduction following OPRA 2023	(204,552)
AS OF 12/31/2023	80,371
Profit (loss) for the period	59,881
Dividends paid	(14,195)
AS OF 12/31/2024	126,057

5 Notes to the separate financial statements

The key role of LISI S.A., the parent company of the LISI Group, is to oversee projects of general interest and coordinate Company activity. More specifically, LISI manages the following services for its subsidiaries:

- Strategic planning, external growth procedure, action plans, resource allocation,
- Translation of the strategy into an annual budget plan,
- Financial control and internal audit (operating system controlling program),
- Financial and fiscal consolidation,
- Financial optimization, centralized cash management for the Group, management of investments and financial liabilities, hedging of foreign currencies and interest rates,
- Coordination of insurance, purchasing, quality, research and development, information systems,
- General policy and audit concerning health, safety and the environment (HSE) and sustainable development approach (CSR), human resources and investments as well as industrial improvement plans (LEAP) and cost control plans (COS),
- Management of strategic projects and implementation of the "LISI SYSTEM" and of strategic action plans,
- Implementation of an overarching communication policy (internal, external, corporate, human resources, financial and marketing) directly linked to the Group's strategy,

- Implementation of a policy to protect employees and retain talent within the LISI group.

LISI S.A. is a société anonyme (public limited company) with a Board of Directors, with capital of €18,615,325.20 representing 46,538,313 shares with a nominal value of €0.40. It is registered at the Belfort trade registry, under No. 536 820 269. The head office is located in Grandvillars at 6 rue Juvénal Viellard.

The information below constitutes the notes to the balance sheet before distribution for the fiscal year ended December 31, 2024, the total amount of which is €961,138,597, and to the income statement for the fiscal year, presented in list form, which shows a profit of €59,880,729.

The fiscal year lasted twelve (12) months, from January 1, 2024 to December 31, 2024.

The notes and tables presented below, with figures shown in thousands of euros, are an integral part of the annual financial statements.

The presentation of figures in thousands of euros may involve rounding differences in the aggregation and cross-referencing of balance sheet and income statement items with the various notes to the financial statements.

These financial statements were approved on February 26, 2025 by the Board of Directors.

5.1 2024 highlights

No significant events were recorded in 2024.

5.2 Accounting principles and policies

The annual financial statements for the fiscal year were prepared in accordance with the legal and regulatory provisions currently in force in France (French Accounting Standards Authority (ANC) Regulation No. 2014-03 of June 5, 2014, updated by ANC Regulation No. 2016-07 of November 4, 2016), and notably those relating to:

- The continuity of operations,
- The consistency of accounting methods from one fiscal year to the next,
- The independence of fiscal years.

Items listed on the balance sheet are, depending on the item, valued at historic cost, transfer value, or net asset value.

The accounting principles on which the separate financial statements for 2024 were drawn up are identical to those for 2023.

The preparation of financial statements requires LISI S.A. to make estimates and assumptions which are liable to impact on both its assets and liabilities as well as those of its subsidiaries and equity interests.

The latter are exposed both to specific, industry-related risks as well as risks relating to the wider international environment.

In the financial statements of LISI S.A., the judgments made and the assumptions used to apply the accounting policies concern more specifically equity investments, particularly when the valuations are based on the subsidiaries' forecast data.

5.3 Breakdown of statement of financial position

5.3.1 Tangible and intangible fixed assets

Property, plant and equipment and intangible assets are valued at their historical cost (price of purchase and related expenses), and depreciation is calculated using the

straight-line method, in accordance with their actual or expected useful life.

	Economic depreciation
Software programs	5 years straight line
Buildings	33.33 years straight line
Transport equipment	5 years straight line
Office equipment	3 to 5 years straight line
Office furniture	5 to 10 years straight line

a) Gross tangible and intangible fixed assets

(in thousands of euros)	As of 12/31/2023	Acquisitions	Disposals / Deconsolidations / item-to-item	As of 12/31/2024
Start-up and development costs	–	–	–	–
Other intangible fixed asset items	1,071	–	–	1,071
INTANGIBLE ASSETS	1,071	–	–	1,071
Land	37	–	–	37
Building on freehold land	76	–	–	76
Buildings on third-party land	–	–	–	–
Buildings, installations, fixtures, etc.	–	–	–	–
General installations, fixtures and fittings	1,669	23	–	1,691
Office and IT equipment, furniture	928	19	–	947
TANGIBLE ASSETS	2,710	42	–	2,751
Property, plant and equipment in progress	24	8	–	32
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	24	8	–	32
TOTAL	3,805	50	–	3,854

b) Depreciation and amortization of tangible and intangible fixed assets

(in thousands of euros)	As of 12/31/2023	Allowances	Decreases or reversals	As of 12/31/2024
Start-up and development costs	–	–	–	–
Other intangible fixed asset items	849	94	–	943
TOTAL 1	849	94	–	943
Land	–	–	–	–
Buildings	76	–	–	76
General installations, fixtures, and fittings	888	167	–	1,055
Transport equipment	–	–	–	–
Office and IT equipment, furniture	666	66	–	732
TOTAL 2	1,630	233	–	1,863
TOTAL	2,479	327	–	2,806

5.3.2 Financial investments

Participating shares and other financial fixed assets are valued at their purchase price, excluding the costs incurred in their acquisition. If these values are higher than the value in use, a provision for depreciation is recorded to account for the discrepancy.

The value in use is calculated from each line of investment, based on the profitability and performance outlook for the

companies concerned, on developments in the economic sectors in which they operate, and on their positions within these sectors.

The inventory value has been brought into line with the utility value calculated for impairment tests which did not show any loss in value.

Figures expressed (in thousands of euros)	Gross value as of 12/31/2023	Acquisitions and item to item transfers	Disposals and item to item transfers	Gross value as of 12/31/2024
Equity-accounted investments	–			
Equity interests and related receivables	215,648	3,416	7,126	211,938
– of which LISI Holding North America loan	36,905	2,153	5,412	33,646
– of which, Hi-Vol loan	20,906	1,263	1,715	20,455
Other financial investments	760	500	–	1,260
TOTAL	216,408	3,916	7,126	213,198

The condition prior to the financing of two loans taken out in 2024 required a holdback guarantee of €500 thousand in total. The latter was recorded under "Other financial assets" as of 12/31/2024.

This item mainly includes five loan guarantee holdbacks for a total of €1,250 thousand. There was no change in equity interests in 2024.

5.3.3 Provisions for impairment of financial and tangible assets

No provisions for equity interests or for receivables related to equity interests have been recognized in the LISI S.A. financial statements.

A provision for other financial investments was recorded on the balance sheet in the amount of €8 thousand. It relates to the holding of minority securities.

5.3.4 Receivables and payables by maturity

Receivables are valued at their nominal value. They are assessed on a case-by-case basis, according to the risks

specifically assessed for each case. Depending on the risk incurred, an impairment loss is recognized.

RECEIVABLES (in thousands of euros)	Gross amount at end of period	Less than 1 year	1 to 5 years	More than 5 years
Customers	8,181	8,181	–	–
Income tax	11,257	11,257	–	–
Tax integration current accounts	9,430	9,430	–	–
Subsidiaries' current accounts	572,544	572,544	–	–
Other debtors	2,211	2,211	–	–
TOTAL	603,623	603,623	–	–

DEBT (in thousands of euros)	Gross amount at end of period	Less than 1 year	1 to 5 years	More than 5 years
Loans and debts from credit institutions:				
at a maximum of 1 year when contracted	3,554	3,554	–	–
at more than 1 year when contracted	519,635	77,138	410,426	32,071
Accounts payable and apportioned accounts	3,478	3,478	–	–
Debt on fixed assets and apportioned accounts	4	4	–	–
Tax and statutory payments	3,509	3,509	–	–
Tax integration current accounts	37	37	–	–
Subsidiaries' current accounts	293,557	293,557	–	–
Other creditors	10	10	–	–
TOTAL	823,784	381,287	410,426	32,071

At December 31, 2024, "Borrowings from credit institutions" included:

1. The issue of unsecured notes on the US Private Placement (USPP) market on March 20, 2015 for an amount of €20 million, on March 4, 2016 for an amount of €40 million and on May 6, 2021 for an amount of €50 million. The balance at December 31, 2024 of €64.3 million will be paid out in the following installments:
 - at one year: €15.7 million,
 - at two to five years: €34.3 million,
 - at more than 5 years: €14.3 million.

Financial covenants related to this debt are:

- consolidated gearing ratio <1.2 (net debt/ shareholders' equity),
- consolidated leverage ratio <3.5 (net debt/EBITDA),
- Coverage ratio of consolidated interest expense >4.5 (EBITDA / Net interest expense).

- 2 The subscription of a loan of €200 million to finance the capital reduction operation that took place during the first half-year 2023. Of the €185 million balance as of December 31, 2024, €15 million will be repaid in 2025, while the residual amount will be paid between May 2026 and May 2028.

The financial covenants (based on the LISI Group's consolidated financial statements) related to this loan are as follows:

- consolidated gearing ratio <1.2 (net debt/ shareholders' equity),
- consolidated leverage ratio <3.5 (net debt/EBITDA),

All covenants relating to loans contracted by LISI S.A. were complied with at the end of the fiscal year.

5.3.5 Marketable securities

Marketable securities

Marketable securities are valued at their purchase price, excluding the costs incurred in their acquisition. They

may be depreciated in line with the average price or the year-end price.

Treasury shares

Treasury stock is held as marketable securities. The latter are valued at their lowest acquisition price or market value (average stock market price for December) for treasury stocks purchased under price regulation or equity not allocated to staff stock option or share allocation plans. For shares allocated to plans, CNC notice No. 2008-17 applies.

LISI S.A., through a market making agreement with an independent service provider (ODDO BHF), purchased 313,044 LISI shares for €7.7 million and sold 291,595 LISI shares for an amount of €7.1 million. At December 31, 2024, the number of LISI shares held through the market-making agreement was 40,328.

This liquidity contract is part of the share buyback program authorized by the LISI S.A. General Meeting of April 26, 2024.

As of December 31, 2024, marketable securities were as follows:

(in thousands of euros)

979,486 LISI shares*	10,858
SICAV and deposit certificates	3,001
I.E. A GROSS VALUE OF	13,859

* 979,486 shares held under the delegation for the purpose of repurchasing the Company's own shares up to a limit of 10%, including those held under the market-making agreement, i.e. 2.1% of the share capital.

5.3.6 Cash

This item amounted to €129.3 million in 2024 compared to €83.3 million in 2023.

It mainly consists of foreign currency bank accounts.

5.3.7 Cash and Net Debt

(in thousands of euros)	2024	2023
Subsidiaries' current accounts	572,544	517,427
Marketable securities	13,859	14,214
Cash	129,330	83,271
AVAILABLE CASH [A]	715,732	614,912
Subsidiaries' current accounts [B]	293,557	258,976
Banking facilities for operations [B]	3,099	13,316
NET CASH [A – B]	419,076	342,620
Borrowings and debt	520,090	498,883
Financial debt [C]	520,090	498,883
NET DEBT [D = C + B – A]	101,014	156,263

Cash and cash equivalents and bank overdrafts are valued at their nominal value.

Foreign currency balances are translated at the closing rate, and the resulting exchange differences are recorded in financial income.

5.3.8 Inventory of financial investments

a) Shares

(in thousands of euros)	Gross book values	Provisions	Net book values
Equity interests			
French companies	157,837	–	157,837
<i>LISI AEROSPACE</i>	30,864		30,864
<i>LISI AUTOMOTIVE</i>	93,636		93,636
<i>LISI MEDICAL</i>	33,337		33,337
Foreign companies	–	–	–
TOTAL EQUITY INTERESTS	157,837	–	157,837
Securities held for sale	–	–	–
French companies	9	8	1
Foreign companies	–	–	–
TOTAL MARKETABLE SECURITIES	9	8	1

b) Marketable securities

(in thousands of euros)	Gross book values	Provisions	Net book values
Treasury shares	10,858	–	10,858
SICAV and deposit certificates	3,001	–	3,001
TOTAL MARKETABLE SECURITIES	13,859	–	13,859

5.3.9 Provisions for risks and charges

Provisions for risks and charges are recognized in accordance with the CRC Regulation 2000-06 of December 7, 2000, on liabilities.

This regulation stipulates that a liability is recognized when a company has an obligation to a third party and it is probable or certain that this obligation will necessitate an outflow of resources to the third party, with no equivalent or larger payment in return. The obligation must exist at the closing of accounts in order to be recognized.

Provisions are calculated with help from the Group's lawyers and consultants, based on current protocol and an assessment of the risks at the date of closing of accounts.

Detailed additions to and reversals of provisions impact operating income, with the exception of the provision for foreign exchange losses, which is classified in financial income.

(in thousands of euros)	As of 12/31/2023	Allowances	Reversals	As of 12/31/2024
Provision for long service medals	23	5	–	28
Provisions for risk	–	–	–	–
Provisions for charge		2,750		2,750
Provision for allocation of free shares subject to performance conditions	1,598	837	742	1,693
Provisions for exchange losses	503	1	503	1
TOTAL	2,124	3,593	1,245	4,472

The provision for expenses in the amount of €2.7 million concerns the termination of a project to deploy human resources management software for all LISI Group subsidiaries.

The full reversal of the provision for the allocations of shares subject to performance conditions was used.

5.4 Breakdown of main income statement items

5.4.1 Operating income

	2024	2023
Revenue	11,246	11,089
Expense transfers	138	542
Reversal of provisions	742	596
Other products	16	53
TOTAL OPERATING INCOME	12,142	12,280

LISI S.A.'s revenue is essentially made up of services invoiced to the subsidiaries of LISI S.A. in respect of assistance, control and coordination of activities. These invoices reflect operating expenses enabling LISI S.A. to carry out its general management and coordination tasks with its subsidiaries, with a margin of 10%.

The reversals of provisions mainly concern share plans subject to performance conditions attributable to all employees enrolled in the various plans.

Expense transfers include the valuation of performance share plans outstanding at the end of the fiscal year for LISI S.A. employees for an amount of €0.1 million.

5.4.2 Operating expenses

	2024	2023
External costs	7,757	5,585
Taxes and duties	376	427
employee benefits expense	6,740	6,936
Other charges	479	468
Depreciation	327	327
Provisions	3,592	930
TOTAL OPERATING EXPENSES	19,271	14,673

The increase in external expenses and provisions was mainly due to the costs incurred following the decision to stop the deployment of human resources management software for all LISI Group subsidiaries. The expenses impacting LISI S.A.'s net income amounted to €4.3 million, including a provision of €2.7 million.

The balance of the provisions item concerns the provision for the fair value of performance share plans attributable to all Group employees enrolled in the various current plans. These plans are backed by the Group's strategic plans.

5.4.3 Net finance income (expense)

	2024	2023
Financial income and revenue on cash		
Net revenue on cash	3,925	1,856
Revenues from subsidiaries' loans and current accounts	30,792	27,152
Financial income	(22,787)	(13,226)
Interest expense on subsidiaries' current accounts	(12,143)	(12,719)
SUBTOTAL INCOME FROM CASH AND CASH EQUIVALENTS	(213)	3,063
Other financial income and expenses	-	
Net exchange rate differences	7,962	(8,851)
Dividends received	40,001	29,997
[increase in] provisions	(1)	(503)
Reversal of provisions	503	639
SUBTOTAL OTHER FINANCIAL INCOME AND EXPENSES	48,465	21,282
NET FINANCE INCOME (EXPENSE)	48,252	24,345

The net finance income (expense) excluding dividends received from LISI AEROSPACE was positive at +€8.2 million, compared to -€5.6 million in 2023. This difference was mainly due to:

- a positive foreign exchange change of +€8.0 million in 2024 compared to -€8.9 million in 2023: this amount comes from the impact of the revaluation of LISI S.A.'s receivables and debts towards its foreign subsidiaries on the one hand and, on the other hand, the revaluation of its foreign currency bank accounts,
- the increase in cash income: +€ 2.1 million compared to 2023, mainly due to interest on positive bank accounts in foreign currencies.
- the +€9.6 million increase in financing expenses, which was partly due to the full-year payment of interest on the loan taken out in May 2023 to finance the capital reduction transaction (nearly €4 million increase over 2024). The difference was mainly due to higher interest rates on new contracts.

Allocations to and reversals of financial provisions concern the revaluation of Group borrowings in US dollars.

5.4.4 Corporate income tax and tax consolidation

As part of a tax agreement, LISI S.A. is the parent company of a tax consolidation group including its subsidiaries which are at least 95%-held and having opted for the corresponding tax regime (all French entities of the LISI S.A. Group listed in the scope of consolidation in Chapter 2 of the Universal Registration Document are included for tax purposes as of December 31).

It is solely liable for the corporate income tax due on the overall income of the tax group thus formed.

The tax expense is allocated to the financial statements of the various entities comprising the tax group according to the so-called neutrality method: each subsidiary bears the tax that would have been its own in the absence of consolidation.

The parent company records its own tax as well as the additional savings or expenses resulting from the application of the tax consolidation regime.

In the event of a loss-making subsidiary, the loss is deducted from the overall income in the year in which it is recognized. It will be transferred back to the subsidiary when it is able to deduct it from its own taxable profits.

In 2024, the application of the Group's tax regime resulted in a tax saving of €19.1 million in the LISI S.A. separate financial statements.

LISI S.A. had a taxable profit as of December 31, 2024, and recognized a tax expense of €0.7 million.

The expenses that were reintegrated for tax purposes mainly comprise depreciation and amortization and passenger car rents for an amount of €44,846, and the non-deductible portion of directors' fees for an amount of €293,901.

5.5 Other information

5.5.1 Commitments

Financial commitments

Financial commitments given

No financial commitment was given by LISI S.A. to its subsidiaries.

Financial derivatives

Results relating to financial instruments used in hedging operations are calculated and recognized in such a way as to balance the income and expenses relating to the hedged elements.

ANC Regulation 2015-05 has no impact on LISI S.A.'s financial statements.

LISI S.A. uses financial derivatives to hedge its exposure and the exposure of Group subsidiaries to foreign

exchange risk, and to hedge its interest rate risks resulting from its financial activities. In accordance with its cash management policy, LISI S.A. neither holds nor issues financial derivatives for speculative purposes.

The currency hedges are underwritten by LISI S.A. to cover all of the LISI Group's needs.

The breakdown as of December 31, 2024 is as follows:

	12/31/2024					12/31/2023				
	Fair value ⁽¹⁾	Notional amount ⁽²⁾	Less than 1 year	From 1 to 5 years	More than 5 years	Fair value ⁽¹⁾	Notional amount ⁽²⁾	Less than 1 year	From 1 to 5 years	More than 5 years
Long position of GBP against USD	(0.7)	22.8	22.8	–	–	1.1	24	24	–	–
Long position of CAD against USD	(0.7)	30	30	–	–	0.5	27	27	–	–
Long position of TRY against EUR	–	–	–	–	–	(0.6)	72	72	–	–
Long position of PLN against USD	–	–	–	–	–	–	–	–	–	–
Long position of CZK against EUR	–	252	252	–	–	(0.1)	244.8	244.8	–	–
Long position of EUR against USD	(0.9)	52.6	41.6	11	–	2	96.2	65.6	30.6	–
	(2.2)					2.8	–	–	–	–

(1) Fair value amounts are expressed in millions of euros.

(2) Maximum notional amounts are expressed in millions in currencies.

Commitments to employees

The LISI Group has opted to spread the expense relating to the cost of retirement lump sums in plans providing for an indemnity determined on the basis of length of service with a cap on the number of years of service retained in the calculation over the last years of career as recommended by IFRIC 21 in its decision of April 2021.

The amount of rights that would be acquired by employees in respect of retirement indemnities, taking into account

a percentage probability of presence in the company at retirement age, amounted to €647,263 at 12/31/2024 compared with €604,626 at 12/31/2023.

In accordance with the rules set out in the General Chart of Accounts, the Company has chosen not to recognize a provision for retirement benefits. This information is provided for information purposes only.

The assumptions used for the calculations are as follows:

	12/31/2024	12/31/2023
Discount rate	3.38 %	3.17 %
Rate of salary increase	2.70 %	3.00 %
Mortality table	INSEE 18-20	INSEE 15-17
Staff turnover rate	Depending on age and socio-professional categories	

5.5.2 Subsidiaries and equity interests

Items concerning related companies and holdings

(in thousands of euros)

Amount concerning
related companies

ASSETS:

Receivables related to equity holdings	54,100
Debtors and apportioned accounts	8,182
Cash advances to subsidiaries	572,544
Tax integration current account	9,430

LIABILITIES:

Receivables related to equity holdings	–
Subsidiaries' financial assistance	293,557
Tax integration current account	37
Suppliers	1,131

INCOME STATEMENT:

IT maintenance	(98)
Rental expenses	(73)
Miscellaneous services	(400)
Reserves for equity interests	(12,143)
Service and management fees invoices	11,218
Rental invoices	21
Miscellaneous chargebacks	40
Free share plan rebilling	682
Revenues from subsidiaries' loans and current accounts	30,792
Revenues from equity interest	40,001

Subsidiaries and equity interests (company data in euros)

Companies	Capital stock	Shareholders' equity and minority interests	Share of capital held (as a %)	Gross book value of securities held	Provisions on securities held	Net book value of securities held	Loans, advances granted by the company not yet repaid	Loans, advances received by the company not yet repaid	Number of guarantees given by the company	Revenues excl. VAT of the last fiscal year	Net income or net loss of the last fiscal year	Dividends received by the parent company during the last fiscal year
SUBSIDIARIES:												
LISI AEROSPACE	2,475,200	84,506,212	100.00 %	30,863,817	–	30,863,817	111,512,484	–	–	421,502,208	52,235,443	40,000,956
LISI AUTOMOTIVE	31,690,000	54,438,256	100.00 %	93,636,481	–	93,636,481	109,514,607	–	–	33,901,643	(26,752,590)	–
LISI MEDICAL	26,737,000	34,333,628	100.00 %	33,337,000	–	33,337,000	26,213,901	–	–	4,856,955	(68,240)	–

5.5.3 Identity of the consolidating company

Compagnie Industrielle de Delle (CID)

Limited company (S.A.) with share capital of €1,908,160

Head office: 6 rue Juvénal VIELLARD – 90600 GRANDVILLARS

The Compagnie Industrielle de Delle held, on December 31, 2024, 44.18% of the LISI S.A. capital.

5.5.4 Allocation of shares subject to performance conditions and free shares

The Group has implemented bonus share plans based on performance for certain employees and managers. The objective of these plans is to create an additional incentive to improve the Group's performance, retain key managers and align the interests of management and shareholders.

In order to reward certain employees who have spent most of their career at the LISI Group, and who have actively participated in its development, the Group has also set up free share plans as part of their retirement plan.

When an outflow of resources relating to free allocations subject to performance conditions is probable, the amount of the future expense is provisioned in proportion to the rights acquired since the allocation date for all eligible employees of the LISI Group.

This provision is measured on the basis of the price of treasury shares held on the books of LISI S.A. and allocated to the share award programs.

At the reporting date, the commitment related to the allocation of shares, the origin of which will be the delivery of existing shares.

The conditions for granting the various plans mentioned below are defined in Chapter 4 "Corporate social responsibility".

Free share plans

On the proposal of the NRG (Nominations, Compensation and Governance) Committee, the Board of Directors of LISI decided on December 8, 2022 to allocate 6,900 free shares to the Deputy CEO as part of the end of his executive term of office.

The Board of Directors, which met on February 26, 2025, recorded the definitive allocation of these free shares.

AASCP plans

Acting on the proposal of the NRG (Nominations, Compensation and Governance) Committee, LISI's Board of Directors decided, on December 8, 2022, to allocate performance shares to members of the Executive Committee and to members of the main Management Committees for the three LISI Group divisions, subject to their meeting certain performance targets.

The Board of Directors, which met on February 26, 2025, approved the financial results of the LISI Group and its divisions. The Board also noted the CSR performance achieved.

In total, the performance criterion rate of the 22C24 plan for the LISI Group is 70% and represents a total vesting of 122,975 LISI shares.

Plans of a similar nature were put in place for 2022, 2023 and 2024. The Board of Directors' meetings of December 8, 2022, December 7, 2023 and December 5, 2024 approved the opening of these new plans under similar conditions.

Loyalty plan

The LISI Group relies on the contribution of an experienced management team and wishes to retain these high-potential employees who constitute a united and motivated group of talented people.

To this end, a single loyalty plan has been put in place for the 39 employees of the Group.

Plans having impacted LISI S.A.'s financial statements in 2024

	Plan 21C23	Plan 22C24	Plan 22C25	Plan 23C26	Plan 24C27	Plan DEFI 2020	Total
Grant date	12/8/2021	12/8/2022	12/8/2022	12/7/2023	12/5/2024	12/9/2020	
Acquisition date	Feb. 2024	Feb. 2025	Feb. 2026	Feb. 2027	Feb. 2028	Feb. 2026	
Value (in thousands of euros) as of 12/31/2024	–	790	272	353	47	231	1,693
Net profits (expenses in thousands of euros) on the income statement of LISI S.A. at 12/31/2024 (excluding social security contributions)	742	(325)	(159)	(306)	(47)	–	(95)
Number of total shares allocated at the origin of the plan (for an allocation with 100% of the conditions)	–	196,460	185,830	190,280	190,210	248,000	1,010,780

The Board of Directors meeting of February 22, 2024 noted the achievement of the performance criteria of plan 21C23 allowing the definitive allocation of 106,793 shares. The provision was reversed for an amount of €742 thousand, and the shares of employees registered in the group's

subsidiaries were rebilled for an amount of €682 thousand. The Board of Directors of February 26, 2025, approved the percentage of achievement of the performance criteria of the 22C24 plan to the tune of 70%.

5.5.5 Miscellaneous information

- Executive compensation amounted to €651,268 for the 2024 fiscal year (compensation net of social charges including the variable portion).
- The corporate officers do not receive directors' fees.
- The overall compensation paid to the 5 highest-paid individuals totaled €1,677,265.
- Headcount as of December 31, 2024 was 37 individuals. The average headcount during the fiscal year, calculated

in accordance with Article D.123-200 of the French Commercial Code, amounted to 34.8 employees.

- The Company does not have any financial leasing agreements.
- The fees recognized for the year ended December 31, 2024, for our Statutory Auditors, Ernst & Young and KPMG, amounted to €102,231.

5.6 Events occurring since the close of the fiscal year

No events occurred since the close of the fiscal year.

5.7 2025 outlook

Upstream dividend payments from the various subsidiaries and the maintenance of Group royalties should allow LISI S.A. to continue its policy of supporting its divisions and ensuring that dividends are paid out to its shareholders.

5.8 Financial risks related to the effects of climate change

The risks associated with the climate transition are monitored at the highest level of the organization, like all other business risks. The "climate transition" risk was introduced in the risk mapping in 2019.

LISI has comprehensively reassessed the climate transition risks in 2023 by applying the Carbon Disclosure Project (CDP) methodology. For each risk and each opportunity, various criteria were assessed and quantified, including: frequency, severity, potential financial impact, estimated cost of risk control.

An exhaustive list of risks and opportunities was drawn up and the most significant risks were published in the response to the CDP questionnaire.

The consideration of the challenges related to the climate, water and biodiversity has not, at this stage, had a material impact on the main judgments and estimates necessary for the preparation of the financial statements.

The risk categories considered are as follows:

- Existing and future regulations,
- Technology,
- Market development,
- Reputation / image,
- Physical (occasional or chronic), associated with extreme weather events.

Some examples of identified risks:

- Exposure to extreme weather events,
- Emerging taxonomic regulation,
- Increase in insurance premiums,
- The growing demand from customers for components whose production and use reduce greenhouse gas emissions.

6 LISI S.A.'s financial results over the last five fiscal years

(Articles 133, 135 and 148 of the decree on commercial companies)

NATURE OF THE INDICATIONS (in euros)	2020	2021	2022	2023	2024
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital	21,645,726	21,645,726	21,645,726	18,615,325	18,615,325
Number of shares issued	54,114,317	54,114,317	54,114,317	46,538,313	46,538,313
TOTAL RESULT OF ACTUAL OPERATIONS					
Revenue excl. tax	8,098,293	8,988,650	10,559,422	11,089,112	11,246,321
Profit after tax, but before depreciation and provisions	(10,256,196)	7,206,045	20,374,358	31,251,085	62,556,097
Income tax	6,423,098	1,391,972	2,092,500	8,757,147	18,872,901
Employee profit-sharing					
Profit after tax, depreciation, and provisions	(7,664,914)	10,136,822	21,955,681	30,584,839	59,880,729
Distributed earnings *	7,437,433	15,417,562	7,995,511	14,195,022	18,149,942
INCOME FROM OPERATIONS PER SHARE					
Profit after tax, but before depreciation and provisions	(0.07)	0.14	0.38	0.67	1.34
Profit after tax, depreciation, and provisions	(0.14)	0.19	0.41	0.66	1.29
Dividends allocated per share (net)	0.14	0.29	0.15	0.31	0.39
PERSONNEL					
Average headcount	26	29	35	41	37
Payroll	(3,194,278)	(3,455,523)	(4,011,534)	(4,750,763)	(4,538,363)
Amounts paid for benefits (social security, other employee benefits, etc.).	(1,369,073)	(1,617,060)	(1,912,036)	(2,185,564)	(2,201,758)

* After deducting the dividend for the treasury shares held by the Company for fiscal years 2020 to 2023.

The proposed allocation of earnings to be proposed to the General Meeting of April 25, 2025, is indicated in Chapter 7 "General Meeting" of the Universal Registration Document.

7 Supplier and customer terms of payment

In the tables below, you will find the details of the terms of payment for suppliers and customers concerning LISI S.A. operating invoices:

Invoices received and issued at year-end that are past due (amounts in thousands of euros):

	Article D.4415.-1°: Invoices received and not paid at year-end which are overdue					Article D.4415.-2: Invoices issued and not paid at year-end which are overdue				
	1 to 30 days	31 to 60 days	60 to 90 days	91 days or more	Total (1 day or more)	1 to 30 days	31 to 60 days	60 to 90 days	91 days or more	Total (1 day or more)
(A) LATE PAYMENT TRANCHES										
Total amount of invoices affected excl. VAT	7.1	94	3.7	35.2	139.9	53.5	22.9	10.7	33.8	121
Percentage of the total amount of purchases excl. VAT for the fiscal year	0.10 %	1.21 %	0.05 %	0.45 %	1.80 %					
Percentage of revenue excl. tax of the fiscal year						0.47 %	0.20 %	0.10 %	0.30 %	1.07 %
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED DEBTS AND RECEIVABLES										
Number of invoices excluded									1	1
Total amount of invoices excluded									206.2	206.2
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TERM - ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)										
Terms of payment used to calculate late payments	Statutory terms: 30 days end of month +15					Statutory terms: 30 days end of month +15				

8 Statutory Auditors' Report on the annual financial statements – Fiscal year ended December 31, 2024

Opinion

Pursuant to the assignment entrusted to us by your General Meeting, we have conducted the audit of the annual financial statements of the company LISI regarding the fiscal year ended December 31, 2024, as appended to this report.

We certify that the annual financial statements are, in accordance with French accounting rules and principles,

regular and truthful and give a true and fair view of the results of operations for the past fiscal year as well as the financial position and assets of the Company at the end of the fiscal year.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit repository

We have carried out our audit in accordance with the professional standards in use in France. We consider that the items we have gathered form both a sufficient and an appropriate basis for our opinion.

Our responsibilities under these standards are specified in the section "Responsibilities of Auditors relating to the audit of the annual financial statements" of this report.

Independence

We have conducted our audit in compliance with the rules of independence applicable to us under the provisions of the French Commercial Code and the French Code of Ethics for Auditors, for the period running from January 1, 2024 to the date of issue of this report, and we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the fiscal year, as well as the responses we have provided to these risks.

The assessments thus made are part of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements of these annual financial statements taken separately.

Valuation of equity investments and related receivables

Key audit matter

Equity interests and related receivables (financial investments), shown in the assets at December 31, 2024, for a net amount of €213,198 thousand are the second largest item on your Company's balance sheet. As specified in Note 5.3.2 of the notes to the annual financial statements, they are measured at the cost at which they were acquired, excluding the costs incurred for their acquisition, or, if applicable, their value in use. The value in use is calculated from each line of investment, based on the profitability and performance outlook for the companies concerned, on developments in the economic sectors in which they operate, and on their positions within these sectors. Considering the weight of equity interests and related receivables in the balance sheet and their sensitivity to variations in data and in the assumptions on which estimates of the profitability outlook are based, we have considered the measurement of the value in use of equity interests and related receivables as a key audit matter.

Audit response provided

To appraise the value in use of equity interests and related receivables, based on information provided to us by your company, our work notably included:

- assessing the consistency of the assumptions made relating to the profitability and performance outlook for the companies concerned, on developments in the economic sector in which the companies operate and on their positions within this sector, compared to the forecast data from the latest strategic plans drawn up by the Board of Directors;
- verifying that the shareholders' equity used in the impairment testing on equity interests is consistent with the financial statements of the companies concerned, taking into account the results of the audit work on the significant subsidiaries held and analytical procedures for the other subsidiaries;
- checking, using sample testing techniques, the mathematical correctness of the calculation of values in use used by your Company.

Specific verifications

We have also carried out, in accordance with French professional regulations, the specific verifications specifically required by the laws and regulations in force.

■ Information provided in the management report and in other documents sent to shareholders on the financial situation and the Company financial statements

We have no comments to make concerning the sincerity and consistency with the annual financial statements of the information provided in the Board of Directors' Management Report or the other documents on the financial position and annual financial statements sent to the shareholders.

We certify the truthfulness of the information and its consistency with the annual financial statements relating to the terms of payment mentioned in Article D.441-6 of the French Commercial Code.

■ Report on corporate governance

We certify that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

With regard to the information supplied in application of the provisions of Article L.22-10-9 of the French

Commercial Code on compensation and benefits paid to corporate officers as well as on commitments approved in their favor, we have checked their consistency with the accounts or with the data used in the drawing-up of these accounts, and, where relevant, with the information gathered by your Company from companies controlled by it that are included in the scope of consolidation. On the basis of our work, we vouch for the accuracy and honesty of this information.

With regard to the information relating to the elements that your Company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to the provisions of Article L.22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they originated and which were provided to us. Based on this work, we have no matters to report on this information.

Other information

In accordance with the law, we ensured that the information relating to the identity of the holders of the share capital or voting rights was communicated to you in the management report.

Other verifications or information required by current laws and regulations

■ Format of presentation of the annual financial statements to be included in the annual financial report

In accordance with the professional standards relating to the work of statutory auditors on annual and consolidated financial statements presented in single European electronic reporting format, we also verified compliance with this format, as defined by Delegated European Regulation 2019/815 of December 17, 2018 on the presentation of annual financial statements included in the annual financial report mentioned in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we concluded that the presentation of the annual financial statements included in the annual

financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

■ Auditors' appointment

We were appointed as Statutory Auditors of LISI by your General Meeting of April 12, 2023 for KPMG S.A. and of April 27, 2011 for ERNST & YOUNG et Autres. As of December 31, 2024, KPMG S.A. was in the second year of its uninterrupted mission and ERNST & YOUNG et Autres in the fourteenth year of its mission.

Responsibilities of management and of those charged with corporate governance in relation to the Company financial statements

It is management's responsibility to draw up the Company annual financial statements giving a true and fair view in accordance with the French accounting rules and principles and to put in place the internal control that it deems necessary for drawing up the Company financial statements free of material misstatements, whether due to fraud or error.

When drawing up the annual financial statements, it is the responsibility of management to assess the company's capacity to continue its operations, to present in these financial statements, if applicable, the necessary information on the going concern assumption and to apply

the going concern principle, unless it is planned to wind up the company or discontinue its operation.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and the effectiveness of internal control and risk management systems, and, if applicable, the internal audit systems, with regard to the procedures concerning the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of Auditors relating to the audit of the Company financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain a reasonable assurance that the annual financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards systematically ensures that any material misstatement is detected. Misstatements may be due to fraud or errors and are considered as material where it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L.821-55 of the French Commercial Code, our task of certifying the financial statements does not consist in guaranteeing the viability or the quality of the management of your company.

As part of our audit conducted in accordance with the professional standards applicable in France, the Auditor exercises his professional judgment throughout this audit. Furthermore:

- the Auditor identifies and assesses the risks that the annual financial statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to tackle these risks, and gathers the information that he/she deems sufficient and relevant to form his/her opinion. The risk of non-detection of a material misstatement arising from a fraud is higher than that of a material misstatement arising from an error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the circumvention of internal control;

- he/she reviews the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not with the objective of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the disclosures provided in the Company's annual financial statements;
- he/she assesses the appropriateness of the application by management of the accounting principle of going concern and, based on the information gathered, the existence or non-existence of a significant uncertainty relating to events or circumstances likely to undermine the company's ability to continue its operation. This assessment is based on information compiled up to the date of his/her report, it being specified however that subsequent circumstances or events may undermine the company's ability to continue as a going concern. If he/she concludes that there is a significant uncertainty, he/she draws the attention of readers of his/her report on the information provided in the annual financial statements regarding this uncertainty or, if such information is not provided or is not relevant, he/she issues a qualified opinion or refuses to certify;
- he/she assesses the overall presentation of the annual financial statements and appraises whether the annual financial statements reflect the underlying transactions and events such as to give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee presenting the scope of the audit work and the program of work implemented, as well as the findings following from our work. We also inform the Committee, where applicable, of

significant weaknesses in internal control that we have identified as regards procedures relating to the preparation and processing of accounting and financial information.

The report to the Audit Committee includes information on the risks of material misstatements that we deemed to have been the most important for the audit of the annual financial statements of the fiscal year and which constitute the key audit matters that we have to describe in this report.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Auditors. Where necessary, we discuss the risks to our independence and the safeguard measures applied with the Audit Committee.

The Statutory Auditors

Schiltigheim, April 3, 2025

KPMG

Stéphane Devin

Partner

Paris-La Défense, April 3, 2025

ERNST & YOUNG et Autres

Henri-Pierre Navas

Partner

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4

Sustainability report



Sustainability report

Contents

1	GOVERNANCE AND STRATEGY – General information (ESRS 2)	148	3	PEOPLE – Social information (ESRS S)	218
1.1	Reporting basis for the statement	148	3.1	PEOPLE - Occupational health and safety (ESRS S1)	218
1.2	Strategy	151	3.2	PEOPLE - Working conditions of LISI employees & Human Capital Development (ESRS S1)	226
1.3	Materiality analysis and management of impacts, risks and opportunities	164	3.3	PEOPLE – Performance metrics	257
1.4	Governance and policies adapted to the challenges	173	4	PROFIT – Information Relating to the Conduct of Business (ESRS G)	259
1.5	Policy adopted to manage material and compliance issues	180	4.1	PROFIT - Corporate culture (ESRS G1)	259
2	PLANET – Environmental information (ESRS E)	182	4.2	PROFIT - Innovation, quality and safety (additional issue)	261
2.1	Context and challenges	182	4.3	PROFIT - Securing financial resources (additional issue)	268
2.2	Policy and targets	183	4.4	PROFIT - Responsible Purchasing	270
2.3	Governance and organization	184	4.5	PROFIT – Performance metrics	274
2.4	Reminder of environmental IROs	185	5	Key indicators of PEOPLE, PLANET, PROFIT	275
2.5	PLANET - Climate change mitigation (ESRS E1)	186	6	Appendices	280
2.6	PLANET - Resource inflows and resource use (ESRS E5)	203	7	Sustainability auditor's report	291
2.7	PLANET - Other environmental information	207			
2.8	Information on the European Taxonomy	208			
2.9	PLANET – Performance metrics	216			

LISI's social and environmental responsibility

The LISI Group's origins date back to the 18th century. Over the centuries, our company has always been guided by the same founding families, deeply rooting in our DNA the notions of sustainability, local roots and resilience. This history gives us a special responsibility: to pass on to future generations a company that is not only efficient and innovative to meet future challenges, but also exemplary in its contribution to a more sustainable and inclusive society.

Our purpose, **"Shape and share sustainable links"** continues to drive our Corporate Social Responsibility commitments. In 2024, in a context of profound transformation of our markets and increasing requirements in terms of sustainable development, our CSR strategy structured around the 3Ps - People, Planet, Profit - demonstrates its full relevance.

- **PEOPLE** - Our employees remain our main asset. Our constant attention to safety and well-being at work reflects this priority. In 2024, we are continuing our commitments in terms of training and skills development. We have taken stock of the challenges of business transformation brought about by the first uses of artificial intelligence. We are also working on diversity, including gender and inclusion. Finally, a tool to measure our efforts on attractiveness and retention has been created.
- **PLANET** - Faced with the climate emergency, our environmental transition continues unabated. We have modeled several trajectory scenarios to position our commitments at an ambitious but achievable level in terms of project pace. Our trajectory to reduce our greenhouse gas emissions by 30% by 2030 is on track. We are stepping up our efforts to self-generate renewable energy at our sites and to continuously optimize our industrial processes. Our progress is recognized.
- **PROFIT** - Our economic performance remains inseparable from our social responsibility. Our impact financing, indexed to CSR criteria, is a perfect illustration of this integrated approach. We are continuing to invest in sustainable innovation and the eco-design of our products to support our customers in their own transition, particularly in the automotive and aeronautics sectors. We are involving our entire value chain in a responsible purchasing approach.

The new CSRD regulation further reinforces our non-financial reporting requirements. We see it as an opportunity to improve our transparency and our dialog with all our stakeholders. Our ambition remains intact: to create sustainable value for our entire ecosystem, by strengthening our ties with local communities and preserving the environment for future generations.

The successes achieved in 2024, whether in terms of our environmental, social or governance progress, encourage us to continue and expand our efforts. The constant improvement of our ESG ratings over the past four years testifies to this momentum.

I would like to thank all of our employees who, through their daily commitment, make it possible to achieve these ambitions.

More than ever, LISI is combining economic performance and social responsibility to build a sustainable future.

Emmanuel Viellard
CEO



1 GOVERNANCE AND STRATEGY – General information (ESRS 2)

1.1 Reporting basis for the statement

METHODOLOGICAL GUIDELINES (BP-1)

The methodological guidelines taken for the creation of the double materiality analysis were as follows:

- **The level of consolidation** chosen to perform the analysis is identical to that of financial reporting. All LISI Group subsidiaries are included, with the exception of Bangalore, India, which is not consolidated and reported separately.
- **The data reference period** shown in the data points is generally as follows:
 - for the PLANET part: the year 2019; except in the case of a new measure not monitored in the past.
 - for the PEOPLE and PROFIT parts: this is either the last three years or the last five years, except in the case of a new measure not monitored in the past.
- **The reference scope of consolidation** of the data reported in the data points is also identical to that of the financial reporting. It includes or excludes entries and deconsolidations from the scope of consolidation as defined in the non-financial reporting. Since 2019, the main changes in scope are:
 - *Entries*: Termax, Garden Grove, Livonia in the United States, the Chaumont site in France and Tangier (LISI AUTOMOTIVE) in Morocco
 - *Deconsolidations*: Argenton sur Creuse, Dreux, St-Florent-sur-Cher in France; Vöhrenbach in Germany; Casablanca in Morocco; Chihuahua in Mexico; Escondido in the United States; Zhuozhou in China.
- **The methodology of selected or unused data points** is explained in section 1.2.2.3. In summary, the following data points were selected:
 - either because they are mandatory
 - or because they are material, given our double materiality analysis
 - or because, in a logic of continuity of action, these metrics were already published in the past
- **Integration of the upstream and downstream value chain** in the sustainability statements: see section 1.3.3
- **Previously existing reference databases** were included, in particular: taxonomy, the Global Reporting Initiative
- **Major international frameworks** are used as a reference in the CSR strategy. For example: SBTi, CDP as part of the decarbonization strategy; ISO 14001 and ISO 45001 as part of the HSE strategy; EN9100, IATF 16949, ISO 13485 as part of the Quality strategy.
- **The review by the external supervisory authority** was conducted with a sustainability auditor.
- **Time horizon**: In order to ensure consistency with the Group's strategy, the time horizon considered in terms of both impact materiality and financial materiality is the horizon of the strategic plan.
 - Short-term (ST): one year. The impacts in the current year are generally applicable to impact materiality;
 - Medium term (MT): between one and five years. Medium-term impacts are generally applicable to impact materiality and financial materiality (Strategic Financial Plan);
 - Long-term (LT): more than five years. For the climate issue, the short-term horizon is to be considered over the coming year, the long-term horizon is to be considered at 2030.
- **Reporting methods**: In 2023, LISI updated its CSR and HSE data reporting procedure. This specifies the list of data to be collected, the definitions and calculation formulas, the frequency and periodicity of data collection, the function responsible, as well as the control methods. For all the data collected, the reporting period runs from January 1 to December 31.
 - *Environmental and Health and Safety data*: In order to ensure the consistency and reliability of the metrics monitored in all its entities, LISI uses standard environmental data reporting guidelines. These guidelines detail the methodologies to be applied for the reporting of metrics, specify definitions, calculation formulas and emission factors. The carbon footprint complies with the French State's GHG Protocol and BEGES standards. The emission factors used are specified in the PLANET chapter. Scopes 1 and 2 data are collected on a monthly basis. Scope 3 data are collected either quarterly or annually. A procedure for reporting environmental and HSE data sets out how this data is collected.

- **Social data:** The LISI Group does not have a Human Resources Information System (HRIS). Social data is currently collected and consolidated mainly through specific files. Data on own workers, gender, hires/departures, types of departures and absenteeism are collected every month. More in-depth data on diversity, attractiveness, training, disability, equity, quality of life at work, etc. are collected once a year at December 31. Specific efforts relating to data quality have been made and are continuing as part of the continuous improvement of the system. The methodologies relating to certain HR indicators may represent limitations due to the absence of globally recognized definitions, the absence of necessary estimates of the representativeness of the measures or the practical methods of collecting and entering information.
- **The EPM project:** In order to automate and standardize shared data throughout the company, an Enterprise Performance Management (EPM) platform solution is planned for 2025, to be launched in 2026 or 2027. For the sake of consistency, alignment, automation and data controls, this EPM platform will make it possible to align financial and non-financial reporting with the same level of requirements in terms of quality, quantity, frequency.

LIMITATIONS: This first sustainability report applying the CSRD guidelines for the first time is the result of LISI's best efforts to meet the new requirements. It reflects our current ability to report the requested data, whether quantitative or qualitative.

- **CSR policy:** The CSR strategy is managed at the highest level of the organization as detailed in section 1.4. As a result, the policies are specific to the 3Ps (People, Planet, Profit) and its principles of action. They are detailed in the paragraphs relating to material issues and the roadmap in section 1.2.1.
 - 3 entry points: People, Planet, Profit
 - 7 action plans (section 1.2.1.3)
 - Flagship projects (section 1.2.1.3)
 - A Balanced Scorecard that measures each month the seven major targets monitored at all levels of the organization (paragraph 1.2.1.4)
 - long-term targets (2030) on renewable energy, emissions, diversity and health and safety

- **Action plans:** In order to gain in relevance and clarity, the actions relating to the Group's CSR strategy are detailed in the paragraphs relating to material issues. Each action plan is monitored monthly, quarterly or annually, specified in the corresponding chapter.
- **Performance measurement:** Performance is measured monthly through a single Balanced Scorecard from site to Group level on the seven key indicators managed. Performance on long-term targets (2030) is measured once a year. In order to gain in relevance and clarity, the key performance indicators relating to the Group's CSR strategy are detailed in the paragraphs relating to material issues.
- **Non-financial objectives and targets:** The objectives relating to the material issues are specified and detailed in each corresponding paragraph. In the absence of a target, we describe the actions taken to respond to the policy in question.
- **Carbon trajectory:** Projected emission trajectories are likely to vary, due to future changes in the climate scenario and/or other parameters (e.g. changes in available technologies, in emission factors at worldwide scale). These changes could lead LISI to modify its methodology. The Group continues to monitor the changes, as well as the improvement of the quality and availability of data and will continue to assess the need to revise its benchmarks and targets if necessary.
 - To set its trajectory targets, the Group uses its own independent assessment of what it considers reasonable, achievable and useful for the achievement of its sustainability principles. LISI is aware that the achievement of these various targets depends on several elements: the successful implementation of initiatives intended to achieve them, and also the fulfillment of other prerequisites that may be beyond its control and hinder the achievement of its targets or successful implementation of these initiatives. LISI intends to continue to assess both its targets and the initiatives put in place, and to make any adjustments that it deems necessary in light of the above.

- **Regulatory changes:** Due to the recent adoption by the European Union and its Member States of new legal and regulatory texts, guidelines for the implementation of the CSRD directive, the regular publication of questions and answers and the prospect of amendments to these various texts, LISI was required, when preparing its sustainability statement (in accordance with the CSRD directive as transposed in France), to use various temporary interpretations, specific to its own case. This first year of application of the directive and the double materiality analyzes that it requires is characterized by uncertainties regarding the interpretation of the texts, the absence of established practices or comparative data as well as by difficulties in collecting data in particular within the value chain.

POTENTIAL FOR IMPROVEMENT

For this first exercise, our sustainability report aims to comply with the general framework of ESRS standards. In view of all the detailed points known to date and in order to

further improve our understanding of the nature and extent of our sustainability issues, we have identified areas for improvement in the coming years.

Although this list is not exhaustive, the points that seem to us to be the most useful are:

- Take better account of opportunities and positive impacts;
- Strengthen our information systems through an EPM platform to automate and standardize data collection, consolidation and control, while offering a visualization platform for the benefit of interested parties;
- Strengthen the focus of the risk management and internal control system on sustainability information;
- Be inspired by the benchmarks of the 2024 URD publications with their first CSRD version.

1.2 Strategy

OUR STRATEGY and HIGHLIGHTS:

LISI's sustainable development strategy aims to **give meaning to performance**.

There are many societal challenges that call for rapid and collective responses.

At LISI, we are ready. We are meeting the challenges through tangible actions with a clear final objective: **have a positive impact**.

Our strategy is based on strong convictions:

- **PEOPLE: Acting fairly and equitably for all:** Acting as a socially responsible employer requires the development of a safe, ethical and stimulating environment for all our employees. Safety is our top priority. It is a fundamental value of the Group and a prerequisite for all our actions. We are also contributing to a more inclusive society and supporting local communities in the territories and countries where we operate. We want LISI to be the mirror of the world in which we live. We welcome people from all backgrounds, all origins and life paths. We are particularly attentive to promoting the place of women in our industry, where they are still under-represented. Women must be able to access the same opportunities as their male counterparts. This culture of diversity is a source of motivation, performance and innovation.
- **PLANET: Acting for the environment:** we know that the actions we take today will be decisive for future generations. This is why LISI is committed to having a positive impact and has already announced, several years ago, ambitious commitments for an industry like ours to reduce CO₂ emissions. LISI shows the same determination to preserve water resources and biodiversity.

- **PROFIT: Acting for performance:** Through its centuries-old history, LISI has shown that our strategy is anchored in a long-term vision. We believe that focusing only on the short term hurts future generations and the resilience of our business. In a constantly changing world, we are committed to cultivating organizational agility to better respond to challenges. This quest for ever more useful solutions is the driving force of our innovation.

It is with these convictions, the commitment of our teams and the confidence of our stakeholders that we are acting to create a more sustainable future. This is how we give meaning to our performance.

Because our efforts have been constant for three years, we are proud that our performance is reflected today in the rating agencies, in the awards we receive and in the success of our actions.

Our **highlights of the year** are tangible proof of the commitment of all our employees.

Anne-Delphine BEAULIEU

**Head of CSR &
Digital Transformation**



HIGHLIGHTS

Acting with impact, it shows. Thanks to our commitment, we are proud to have:

- been Grand Prize winner at the Future of Finance with our project: People, Planet, Profit
- progressed every year for four years on all our ESG ratings (Ecovadis, Ethifinance, ISS, Moodys)
- achieved an A- rating by the CDP Climate (we were D 3 years ago)
- been awarded the 2024 Best Managed Companies Label by Deloitte for the third consecutive year
- achieved 5 out of the 6 targets of our first CSR Balanced Scorecard
- put into production 5 solar panel sites in 5 different countries within 18 months
- increased the share of women in management bodies from 10% in 2019 to 20% in 2024
- completed 30 energy efficiency projects generating savings of 1.8% of the MWh consumed in 2023
- reduced our greenhouse gas emissions by 3% compared to 2023 and by 39% compared to 2019 (reference year for Scopes 1, 2 and partial 3)
- invested €6.4 million in projects that reduce the carbon footprint, *i.e.* 7.3% of the Group's total investments
- assessed 67% of suppliers as sensitive in terms of CSR
- achieved €82.5 million in impact financing and a first green loan with BPI for €10 million

These results are tangible proof of the commitment of all employees to our 3P program.

1.2.1 PEOPLE, PLANET, PROFIT: Our commitments and highlights

LISI's convictions in terms of sustainability form the basis of our CSR strategy. Our convictions are driven by our values, our management and LISI's operational system.

Our convictions are as follows:

- The world is in constant transformation and requires an agile organization.
- Environmental issues are a major challenge for humanity.
- Thinking only in the short term hurts future generations and undermines the resilience of our business.
- Diversity is a strength.
- Companies must have a positive impact on society and the regions they occupy.

As a civic and responsible company, LISI therefore takes into account the social, human, economic and environmental dimensions of its activity in its relations with its stakeholders, its various partners, and its employees. It acts with a permanent concern for progress and the sustainability of its business.

Guided by our purpose ("**Shape and share sustainable links**") and through our values, LISI's sustainable development strategy is structured around three entry points, the 3Ps: **People, Planet, Profit**.

Each of these 3Ps is based on five values and is broken down into seven themes, including our flagship projects, our actions and our monthly Balanced Scorecard, which measures performance.

5 Values

3 entry points

7 principles of action

people

1. Protect our employees
2. Retain our talents

planet

3. Protect our environment
4. Contribute to our territories

profit

5. Exceed our customers' expectations
6. Partner with our suppliers
7. Secure our financial resources



1.2.1.1 - Our values

Aware that collective commitment makes it possible to achieve greater goals, the Group relies on 5 major values shared by all:

#Sustainability

The LISI Group has always adapted to the changes of its time. We are continuing the work of the generations that have made LISI a successful international company. Aware of our impacts, we focus on the long term and strive to reduce our environmental footprint.

#Integrity #Transparency

We act with honesty, awareness and openness in compliance with regulations. We expect exemplary behavior from our employees and partners. We create transparent relationships with our customers and suppliers and regularly communicate on our commitments.

#Innovation #Digital

We anticipate changes to offer the best solutions. Innovation is fueled by technology and creativity. We

design environmentally friendly products and deploy innovative solutions to meet the needs of the business lines.

#Human #Evolution

The women and men who work at LISI are the primary driver of our development. We promote talent and skills development. We protect health, safety and well-being, while applying a policy of non-discrimination and diversity.

#Excellence #Pragmatism

We offer quality products and services that meet the highest standards. We continually measure our performance and constantly strive to improve. The satisfaction of our customers is the main guarantee of our sustainability. We are collectively committed to anticipating and exceeding the expectations of our stakeholders. Our actions aim to be practical and concrete.

1.2.1.2 - Compliance with major international reference frameworks

LISI's sustainable development strategy is also guided by a number of major international reference frameworks.

LISI, a signatory of the Global Compact

The LISI Group is guided in particular by the Global Compact, which offers a simple and universal framework of commitments based on 10 principles. LISI has been a signatory of the Global Compact since 2018.

This signature is a public act of leadership that demonstrates the Group's commitment to taking into account the principles of the Global Compact in its actions and internal processes.

The Global Compact is a United Nations initiative launched in 2000 and aimed at encouraging businesses worldwide to adopt a socially responsible attitude. Businesses commit to uphold and promote a number of principles relating to human rights, international labor relations, and the fight against corruption.

By joining the Global Compact in 2018, LISI committed to:

- making yearly progress in each of the 4 core areas of the Global Compact,
- submitting an annual "Communication on Progress" (COP) report explaining the progress made.

The 4 core areas of the Global Compact are subdivided into 10 principles.

Human rights

LISI has undertaken to:

- Support and respect the protection of internationally proclaimed human rights.
- Make sure that it is not accomplice of human right violations.

International labor standards

LISI has undertaken to:

- Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Contribute to the elimination of all forms of forced and compulsory labor.
- Contribute to the effective abolition of child labor.
- Contribute to the elimination of discrimination in respect of employment and occupation.

Environment

LISI has undertaken to:

- Support a precautionary approach to environmental challenges.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage the development and dissemination of environmentally friendly technologies.

Anti-corruption

LISI has undertaken to:

- Fight corruption in all its forms, including extortion and bribery.

LISI contributes to the United Nations Sustainable Development Goals (SDGs)



Our sustainable development strategy is also based on the United Nations Sustainable Development Goals (SDGs). This program lists 17 sustainable development goals aimed at achieving a better and more sustainable future for all.

We have identified 12 SDGs to which LISI contributes through its sustainable development actions and its operations. These SDGs are shown in color in the representation above.



LISI and transparency on ESG disclosure standards

LISI believes that transparency is an essential factor in building relationships of trust with its stakeholders and ensuring the Group pursues a continuous improvement process. Pending the adoption of a harmonized non-financial reporting framework at the international level, LISI ensures that it reports on its performance on the basis of

the various ESG reporting frameworks commonly used. Thus, LISI refers to the standards of the GRI (Global Reporting Initiative), the European CSRD directive (Corporate Sustainability Reporting Directive) and SASB (Sustainability Accounting Standards Board).

1.2.1.3 - Our roadmap

LISI's Corporate Social and Environmental Responsibility approach is based on:

- an analysis of challenges and risks informed by both risk mapping and a double materiality matrix of stakeholder challenges and risks;
- governance adapted to these challenges;
- policies implemented in a cross-cutting manner;
- action plans and monitoring indicators.

Our Corporate Social and Environmental Responsibility strategy is based on 3 entry points broken down into 7 key commitments.

These 3 entry points correspond to **People, Planet, Profit**.

They are also known as the 3 Ps.

These three entry points form the basis of our roadmap, which includes our seven key commitments

people	planet	profit
#1 Protect our employees #2 Retain our talent	#3 Preserve our environment #4 Work in our regions	#5 Exceed our Customers' expectations #6 Involve our suppliers #7 Secure our financial resources

These are 7 long-term commitments formalized by short-, medium- and long-term objectives.

The commitments and flagship projects that underpin this roadmap are described in the table below:

people		Projets phares
1.	Protect our employees	■ Continuous decrease in TF1 ■ Elimination of Level 1 machine non-compliance ■ Safety training for 100% of staff at least once a year ■ Disruption plan for accident-prone sites ■ ISO 45001 certification
2.	Retain our talent	■ Develop LISI's attractiveness ■ Increase the proportion of women ■ Support business transformation and develop skills ■ Improve quality of life at work ■ Raise the level of commitment and retention
planet		Projets phares
3	Preserve our environment	■ Construction of a carbon trajectory and management in an adapted solution ■ Implementation of energy sobriety plans ■ Develop renewable energies ■ ISO 14001, ISO 26000 and ISO 50 001 certification in some sites ■ CDP Climate: achieve an A rating ■ SBTi: have a carbon trajectory in line with SBTi on Scopes 1 & 2
4.	Work in our regions	■ Deploy water management plans in water-stressed areas
profit		Projets phares
5.	Exceed our Customers' expectations	■ Development of new products ■ Assessment of the carbon footprint of our products ■ Development of eco-design ■ IATF 16949, EN 9100, ISO 13485 certifications
6.	Involve our suppliers	■ CSR assessment plan for our suppliers ■ Train our buyers in CSR ■ Commit our key suppliers to reducing their carbon footprint
7.	Secure our financial resources	■ Rigorous management of working capital requirements ■ Currency hedging for up to three years to secure USD contracts ■ Differentiation of sources of financing

The actions and performance measure indicators resulting from the flagship projects of the 3Ps described below cover all material Impacts, Risks and Opportunities identified in paragraph 1.3. This is also the case for the measurable, results-oriented and time-bound targets set by LISI to achieve its policy objectives

1.2.1.4 - Our performance indicators

Each of these 7 key commitments is managed using several monitoring indicators. Among these indicators, the following 22 are included in our Balanced Scorecards at all levels of our organization through monthly reporting.

 people

	ESRS	GRI	SDGs
1. Protect our employees			
TF1	ESRS S1	GRI 403-2	 3. GOOD HEALTH AND WELL-BEING
% of employees trained in Safety	ESRS S1	GRI 410-1	
2. Retain our talent			
Absenteeism	ESRS S1	GRI 401-1	 5. GENDER EQUALITY
% of resignations	ESRS S1	GRI 401-1	
% of women among managers	ESRS S1	GRI 405-1	

**planet**

		GRI	SDGs
3. Preserve our environment			
% of energy savings in MWh thanks to projects vs Y-1	ESRS E1	GRI 302-1 ; GRI 302-4	 13. CLIMATE ACTION
% of renewable energies produced on site	ESRS E1	GRI 301-1	
4. Work in our regions			
% of sites in water hydric stress zone with an action plan	ESRS E5	GRI 303-1 ; GRI 303-2	 6. CLEAN WATER AND SANITATION

**profit**

		GRI	SDGs
5. Exceed our Customers' expectations			
% of revenue generated by new products – LISI AEROSPACE	N/A	GRI 201-1	 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE
Renewal rate for new products – LISI AUTOMOTIVE	N/A	GRI 201-1	
Revenue generated by new products – LISI MEDICAL	N/A	GRI 201-1	
6. Involve our suppliers			
% of CSR-sensitive suppliers evaluated	ESRS G1	GRI 414-1	 12. RESPONSIBLE CONSUMPTION AND PRODUCTION
Engage our suppliers in reducing their carbon footprint	ESRS E1		
7. Secure our financial resources			
Revenue (€M)	ESRS 2	GRI 201-1	
EBIT (% of revenue)	ESRS 2	GRI 201-1	
Free cash flow (% of revenue)	ESRS 2	GRI 201-1	
ROCE	ESRS 2	GRI 201-1	
Inventories (No. of revenue days)	N/A	GRI 201-1	
LPD (>30 days)	N/A	GRI 201-1	
Added value / employees	N/A	GRI 201-1	
Capex (% of revenue)	ESRS 2	GRI 201-1	

In 2023, for the first time, new CSR indicators were monitored every month in the monthly Balanced Scorecards of the sites, business groups, divisions and at the consolidated level. They are:

people

- % of resignations (No. of resignations/Total registered employees)
- % of women among managers (No. of women managers/No. of managers)

planet

- % of energy savings in MWh versus N-1 consumption achieved through projects
- % of renewable energy produced on site
- % of sites in water-stressed areas that have implemented an action plan

profit

- % of suppliers assessed as sensitive in terms of CSR

The 2024 results of recent CSR indicators are as follows:

Our 7 areas of action	The 3Ps	LISI GROUP Key Indicators		2020	2021	2022	2023	2024	B 2024
2 - Retain talent	people	Health and Safety	TF1	7	8.5	7.2	6.7	5.7	< 6
		Attractiveness	% of resignations	5.3 %	6.5 %	9.0 %	8.1 %	6.8 %	7.0 %
		Diversity	% of women managers	30.1 %	27.1 %	28.3 %	28.1 %	28.4 %	28.5 %
3 - Preserve our environment	planet	Environment	% energy savings in MWh thanks to projects vs. consumption in year N-1	nd	nd	nd	1.7 %	1.8 %	1.8 %
4 - Contribution in our regions			% of renewable energy produced on site	nd	nd	0 %	0.4 %	0.7 %	0.6 %
			% of sites in water-stressed areas with an action plan	nd	nd	18 %	100 %	65 %	100 %
6 - Partnership with our suppliers	profit	Purchases	No. of strategic suppliers assessed on CSR criteria	nd	nd	nd	56 %	67.0 %	65.0 %

1.2.1.5 - Awards & highlights

Highlights

100% Of our ESG ratings have improved	-39% Greenhouse gas emissions compared to 2019	28.4% Women managers in the organization (28.1% last year)	6,4 M€ Investments reducing the carbon footprint
5 Sites with photovoltaic panels in 5 countries	6.8% Resignation rate (8.1% last year)	31 Energy efficiency projects	83% Successful CSR Balanced Scorecard indicators
ISO 14001 ISO 45001 Certifications obtained for 2 additional sites	A- CDP Climate	ECOVADIS TOP 8% of companies	 Winner of 2023 Best Managed Companies for the 3 rd consecutive year

Our non-financial performance is regularly assessed by non-financial rating agencies in terms of its respect for the environment, social values, societal commitment, and corporate governance. These assessments attest to the Group's CSR performance. They serve as a reference for fund managers and investors looking for companies that perform well in terms of CSR.

In 2024, we are particularly proud

- to have been **Grand Prize winner** at the Future of Finance with our People, Planet, Profit CSR approach.
- to have reached the level **A- at CDP Climate**.
- to have been a 2024 winner for the third consecutive year for the Best Managed Company label, which gives us the **GOLD status**.
- to have progressed in all our ratings

These achievements demonstrate that our governance, our roadmap and our employees' ongoing commitment to moving society forward are paying off.

Awards in 2024



ECOVADIS: We continued our progress by reaching the 92th percentile with 71/100. We were 57/100 3 years ago



CDP Climate: We have reached level A-.



LISI is the 2024 Winner of the Best Managed Companies awards by Deloitte for the 3rd consecutive year. We now have GOLD status.



FUTURE OF FINANCE: We won the **Grand Prize at Future of Finance 2024** with our People, Planet, Profit approach

The summary of our assessments is as follows:

Non-financial rating	CDP Climate	Ecovadis	Ethifinance / Gaia*	Moodys	Best managed companies Deloitte
Score 2024	A- Leadership	71/100	74		2024 winner
Score 2023	B Management	69/100	70	44	2023 winner
Score 2022	B Management	67/100	63		2022 winner
Score 2021	D Disclosure	nd	53	36	
Score 2020	D - Disclosure	57/100	53		
Industry average		LISI in the 92 th percentile of the most efficient companies			
No. of companies assessed	24,800	130,000			

* Ethifinance / Gaia has updated its assessment methodology. The ratings for previous years have been updated by Ethifinance to take this new methodology into account.

1.2.2 Integration into the Group's CSR strategy (SBM-1)

1.2.2.1 - Ongoing dialog: interests and views of stakeholders (SBM-2)

LISI developed its CSR strategy by consulting all its stakeholders (suppliers, customers, shareholders, employees, employee representative bodies, etc.).

The graph below presents our stakeholders.



Our Company places an emphasis on implementing an organization that allows for regular dialogue with each of them.

This dialogue aims to anticipate their requests and best meet their expectations.

For example, LISI has ongoing dialogue with:

- **its customers** via the commercial departments of the divisions, trade shows such as the Paris Air show, etc.,
- **its insurers**, who are included at every stage of the projects, to take into account their opinions and who regularly visit the plants. An annual assessment of the partnership is carried out in the presence of the Group's Senior Management,
- **its shareholders** via individual meetings for shareholders and numerous meetings with investors,
- **its employees** via the social partners and also via the

Group's various communication tools: emails, PSM (performance management routine), memos, the intranet and other company digital tools, any type of survey or questionnaire (Quality of Life at Work, for example),

- **its suppliers** via central and local buyers, regular meetings, and gatherings on the follow-up of partnerships,
- **the authorities** via exchanges of letters, telephone calls, regulatory reports and also via on-site meetings, whether requested by the authorities or by the sites,
- **professional federations**. The LISI Group has been represented at the *Groupe des Industries Françaises Aéronautiques et Spatiales* (GIFAS) for several years, as well as at the *Union des Industries et Métiers de la Métallurgie* (UIMM). The company is also a member of the *Plateforme Française Automobile* (PFA).

The table below shows the main channels for dialogue with stakeholders. It is not exhaustive.

Our Stakeholders	Forms of dialogue	Department
Customers	- Dedicated sales contact - Annual Performance Reviews - Trade fairs (e.g. Paris Air show)	- Divisional commercial departments - General Management - Communication & marketing
Insurers	- Annual prevention visits - Integration of insurers in projects through regular progress points - Annual review	- HSE department - Project team & HSE department - General Management
Shareholders	Individual shareholder fairs, investor meetings, letters to shareholders	General Management
Employees	- Communication tool (email, memo, intranet, PSM, etc.) - QLW survey - Meetings with the social partners (e.g. group committee and European committee, ESC, etc.)	- Communication department - HR department - General management and site management
Suppliers	- Supplier Evaluation Questionnaires - Communication of the supplier charter - Supplier audits - Performance reviews	Purchasing and Supplier quality
Authorities	- Relations with public authorities (prefecture, communities of municipalities, municipalities, etc.) - Exchanges (correspondence, telephone calls, e-mails, on-site meetings, etc.) - Regulatory Declarations	- General Management - Sites
Institutions	- Participation in professional federations (MEDEF, UIMM, GIFAS, PFA, ARTEMA, etc.) - Accession and promotion of the UN Global Compact - Participation in the ADEME working group (e.g. EXPEDITE)	General Management
Civil Society	- Participation in the local economic fabric (EIG, partnership with local companies, local associations) - Integration into local life (open day, visit of middle schools and high schools)	Sites
Technical	- R&D meeting - Facilitation of the community of technical experts - Cross-visits by technical experts to carry out benchmarks (internal and external)	- R&D - Experts network

In 2024, the work on CSRD, in particular the double materiality analysis, provided an opportunity to engage in more in-depth dialog with our stakeholders. In addition to the main channels of dialog indicated above, we solicited on an *ad-hoc* basis, a large number of our stakeholders in order to jointly identify the LISI Group's Impacts, Risks and Opportunities.

The expectations and challenges in terms of social responsibility were gathered through two consultative processes:

- the development of the double materiality matrix (see 1.2.2)
- the coordination of employee working groups.

1.2.2.2 - Material Impacts, Risks and Opportunities and their interaction with strategy (SBM-3)

Today, sustainability issues are inseparable from corporate strategy, forming an essential pillar of long-term value creation. Integrating sustainability into the strategy requires a **holistic approach** which involves all levels of the organization and influences every strategic decision.

At LISI, we believe that:

- Companies that succeed in aligning their strategy with the imperatives of sustainability are better positioned to ensure their continuity and seize the opportunities related to the transition to a more sustainable economy.
- Measurement and reporting of non-financial performance are becoming key elements of communication with investors and other stakeholders.

- Finally, this strategic transformation must be accompanied by clear, measurable targets and a precise roadmap to ensure effective implementation and create shared value for all stakeholders.

It is in this spirit and method that we worked in workshops and through an organized dialog with our stakeholders to identify our impacts, risks and opportunities (IRO). By convention, we will use the acronym IRO to denote Impacts, Risks and Opportunities.

We also called on the R3 consulting firm, which supported us during the work to identify and assess the IROs, as well as the methodological approach, to carry out our first double materiality analysis as part of the CSRD.

1.3 Materiality analysis and management of impacts, risks and opportunities

1.3.1 Identification and assessment process (IRO-1)

The IRO identification process was carried out in accordance with the recommendations of the EFRAG on each ESRS and with the assistance of our R3 consultants.

To carry out this mapping of sustainability issues, we proceeded in two ways:

1. **Several internal workshops** with the CSR, Finance and Compliance teams between May and September 2024, which made it possible to:
 - become familiar with the structure of the CSRD, its nomenclature and its terminologies: ESRS, Topics and Sub-topics
 - link the company's strategy with sustainability issues
 - list the company's IROs according to our internal understanding

- ensure that we covered all topics in the ESRS
- analyze the issues at the sub-topic level in order to facilitate the future strategic and operational scope
- retain or merge certain sub-topics, subject to being able to justify this decision and to have a complete associated definition
- exclude certain issues when the impact or their relevance are deemed not to be material or not mandatory at the regulatory level.
- associate a neutral and clear definition to each sub-topic

2. **A methodical consultation with our stakeholders**, with a wide coverage in terms of diversity and quantity (see SBM-2)

1.3.2 Integration of stakeholders (SBM-2)

1.3.2.1 - Methodological approach

The role of the stakeholders is to assist the LISI Group in mapping the issues, in particular to:

- list the positive or negative impacts of its activities on society and the environment
- identify the Company's risks and opportunities associated with sustainability issues

During an internal workshop for LISI teams (CSR, Finance, Compliance), we:

- identified relevant stakeholders
- selected stakeholders to be consulted
- defined a consultation methodology and format
- assigned sustainability issues according to the relevance of the topics to the stakeholder

- developed a rating grid to facilitate the assessment of materiality by the stakeholder
- defined materiality thresholds

To identify and select the stakeholders to be consulted, we applied an influence grid:

- stakeholders that have no influence on the business
- stakeholders that influence and affect part of the business
- stakeholders that influence and affect the entire business
- stakeholders that have the power to block the business

We have chosen to select stakeholders with a high level of influence, that are diversified in nature and representative of the entire value chain and that have a quite good knowledge of the Company's business and/or operations.

We have also favored a more qualitative than quantitative consultation approach.

Ultimately, the consultation took two forms

1. sending a questionnaire validated by our Board of Directors in June 2024
2. qualitative consultation interviews with a limited number of stakeholders.

During the consultation interviews, we always asked the same three questions:

IMPACT MATERIALITY

1. What are the positive or negative impacts of LISI's activities on the society and the environment?
2. How do you assess the severity/intensity of this impact on the defined rating grid?
3. What is the probability of this impact occurring?

FINANCIAL MATERIALITY

1. What are the financial risks or opportunities for LISI's activities?
2. How do you assess the severity/intensity of these risks or opportunities on the defined rating grid?
3. What is the probability of occurrence of these risks or opportunities?

Finally, we assigned to each type of stakeholder:

- a consultation scope
- a weighting coefficient

1.3.2.2 - Consultation via the online questionnaire

The questionnaire consisted of 27 questions covering all sustainability issues.

- 11 PLANET questions - Environment
- 12 PEOPLE questions - Social
- 4 PROFIT questions - Governance

For each question, the stakeholder had to:

- say if they had/did not have an opinion
- if they had an opinion, choose:
 - a **severity** on a scale of 1 to 4
 - a **probability** on a scale of 1 to 4

Attached is an example corresponding to question QE01 - Climate change adaptation

The screenshot displays the 'PLANET - ENVIRONNEMENT' section of the questionnaire. At the top, there is a header with a globe icon and the word 'planet'. Below this is a table titled 'ECHELLE DE REPONSE' (Rating Scale) with two rows: 'GRAVITE DE L'IMPACT' (Severity of Impact) and 'PROBABILITE D'APPARITION DE L'IMPACT' (Probability of Impact Occurrence). The columns represent ratings from 1 to 4, with corresponding qualitative labels: 'Faible' (Low), 'Moyenne' (Medium), 'Importante' (Important), and 'Critique / Stratégique' (Critical / Strategic). Below the table, the question 'QE01 - Adapting to climate change' is shown, followed by a detailed description of climate change adaptation and a rating bar with a scale from 1 to 4. The rating bar shows a selection of 3.

In fine, 117 stakeholders responded.

Below is a summary of the number of respondents and their associated weighting coefficient.

Stakeholders	Number of responses	%	Weighting coefficient
Shareholders	58	50%	2
Employees	24	21%	4
Board of Directors	10	9%	5
Banks	5	4%	3
Strategic Suppliers/Subcontractors	5	4%	3
Insurers	3	3%	3
Customers	3	3%	5
Professional federations	3	3%	2
Investors - Financial analysts	3	3%	2
Recruitment agencies	2	2%	3
Certification bodies	1	1%	3
Total	117	100%	

These weighting coefficients were applied according to their level in the sphere of influence. The analysis is based on the principles of ISO 26000.

Among the respondents, here is a summary of the questions that obtained the most answers by topic:

ESRS	Issues	Question	Number of respondents
PLANET	Climate change adaptation	QE01	86
PLANET	Climate change mitigation	QE02	90
PLANET	Energy management	QE03	93
PLANET	Pollution of soil	QE04	89
PLANET	Pollution of air	QE05	95
PLANET	Other pollution	QE06	82
PLANET	Hazardous chemical substances	QE07	87
PLANET	Water management	QE08	94
PLANET	Biodiversity and ecosystems	QE09	73
PLANET	Circular economy, eco-design, life cycle - resource inflows	QE10	78
PLANET	Circular economy, eco-design, life cycle – resources outflows	QE11	78
PEOPLE	Consideration of working conditions: LSI employees	QS01	91
PEOPLE	Equal treatment and opportunities for all - LSI employees	QS02	90
PEOPLE	Other labor rights - Own workforce	QS03	86
PEOPLE	Taking into account working conditions: workers in the value chain	QS04	83
PEOPLE	Equal treatment and opportunities for all - Workers in the value chain	QS05	80
PEOPLE	Other labor rights - Workers in the value chain	QS06	78
PEOPLE	Protection & development of local populations	QS07	77
PEOPLE	Information for customers and end consumers	QS08	70
PEOPLE	Innovation, quality and safety	QS09	91
PEOPLE	Involvement in the local ecosystem	QS10	84
PEOPLE	Health and safety and quality of life at work	QS11	94
PEOPLE	Human capital development	QS12	87
GOVERNANCE	Corporate culture	QG01	88
GOVERNANCE	Duty of care	QG02	76
GOVERNANCE	Business ethics	QG03	84
GOVERNANCE	Responsible purchasing	QG04	79

1.3.2.3 - Consultation by qualitative interview

The questionnaire approach was supplemented by a more qualitative approach through dedicated interviews with stakeholders with a strong influence on LISI's business.

We organized 1-hour interviews with:

- members of the Group Executive Committee

- Chairman of the Board of Directors
- three external parties with a strong influence on LISI's business (1 Aerospace customer, 1 Automotive customer, 1 energy supplier)

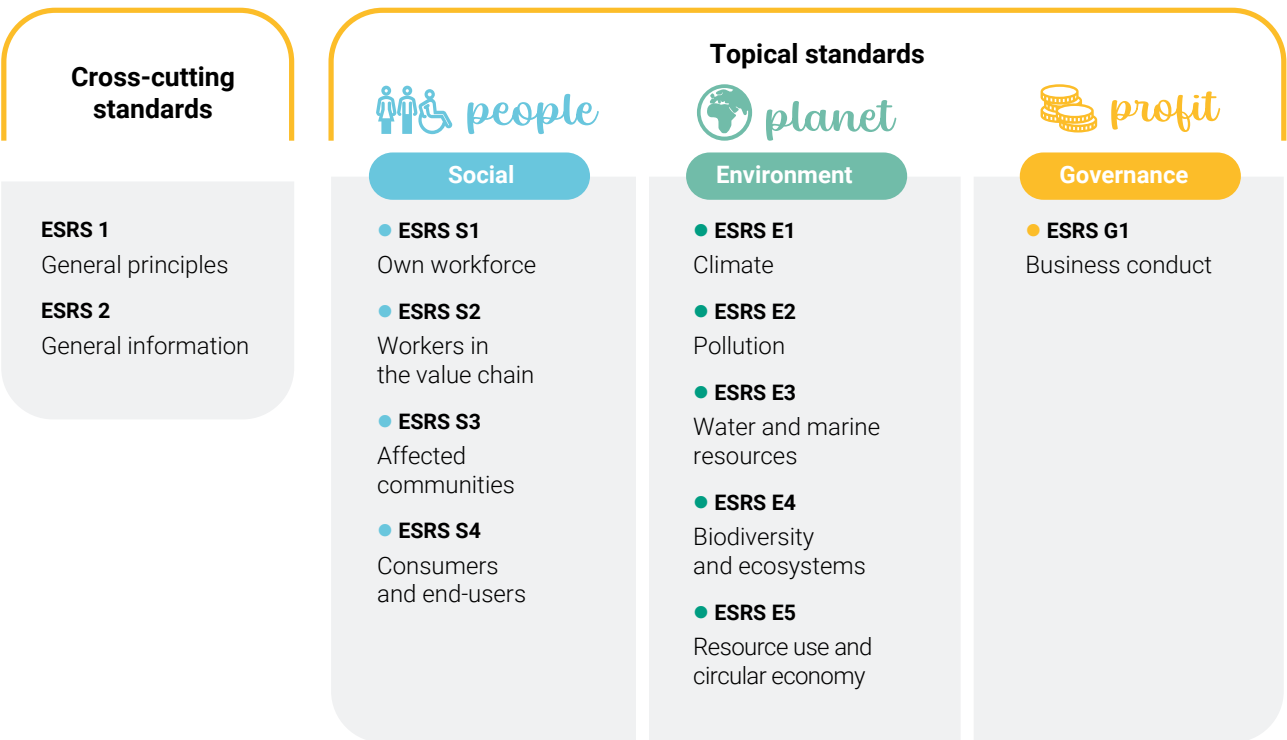
The interviews took place in July 2024.

1.3.3 Results of the materiality analysis (IRO-2, SBM-3)

The LISI Group's materiality analysis underwent a major overhaul in 2024 to adapt to the sustainability issues expressed in the CSRD. The CSRD issues, expressed in ESRS, Topics and Sub-Topics, sometimes obscure, were detailed by the work of EFRAG. This work was used as a reference framework by LISI.

During this stage of identification and assessment of Impacts, Risks and Opportunities (IRO), the LISI Group chose to request methodological support from the consulting firm R3. This support lasted nine months until the finalization of the double materiality matrix. Their expertise has enabled the LISI teams to approach the issues methodically and to have an external perspective on our work.

The 12 ESRS standards for which the issues were analyzed at LISI are as follows:



However, our approach was also respectful of the principles of the ISO 26000 standard.

The other usual guidelines were also maintained. We validated the consistency of the work on the adaptation to ESRS with:

- the ISO 26000 standard and its seven central topics:
 - Governance
 - Human rights,
 - Work relations and conditions,
 - Environment,
 - Loyalty practices,
 - Consumer issues,
 - Communities and local development.
- other international standards such as the Global Compact, the UN Sustainable Development Goals, the Global Reporting Initiative (GRI) or SASB (Sustainability Accounting Standards Board).

The identification and assessment of Impacts, Risks and Opportunities (IRO) is the result of a combination of:

- internal discussions and workshops at LISI between the CSR, Finance and Compliance teams
- stakeholder consultations that took two forms: an online consultation via a questionnaire and some qualitative interviews with stakeholders having a very strong influence on LISI's business.

Once the IROs were identified, each IRO was subject to an assessment/materiality score on two axes both by the LISI teams (CSR, Finance, Compliance and all members of the Executive Committee) and by the stakeholders consulted:

- Impact materiality: rated from 1 to 4
- Financial materiality: rated from 1 to 4

In order to ensure consistency with the Group's strategy, the time horizon considered both in terms of impact materiality and financial materiality is the time horizon of the strategic plan.

Materiality threshold

- With regard to impact materiality, the material threshold was set at 1.7
- With regard to financial materiality, the materiality threshold was set at 1.7

In other words, any IRO

- lower than 1.7 on both axes was deemed non-material
- higher than 1.7 on both axes was deemed to have double materiality
- higher than 1.7 on only one of the axes was judged for simple materiality, either impact or financial.

This double materiality analysis thus determined represents, at a given time, a summary of the opinions and perceptions of the people who responded.

This update of the matrix led to the emergence of an internal and external consensus on the issues.

Double materiality analysis results

In terms of identification, the consensus identified 28 issues for LISI.

In terms of evaluation, the consensus reached:

- 5 issues with double materiality
- 2 material issues in the Impact sense only
- 1 material issue in the Financial sense only
- 20 non-material issues

These are, therefore, eight priority issues for LISI. These issues were presented to Senior Management for approval. These results made it possible to enhance our Corporate Social Responsibility strategy.

The **5 impacts, risks and opportunities with double materiality** in decreasing order are:

- **Innovation, Quality and Safety of our products sold to customers** - ESRS BD-c
- **Human capital development** - ESRS S1-a
- **Climate change mitigation** - ESRS E1-b
- **Securing financial resources** - ESRS BD-b
- **Resources inflows and their use** - ESRS E5-a

The two material issues in the Impact sense only are:

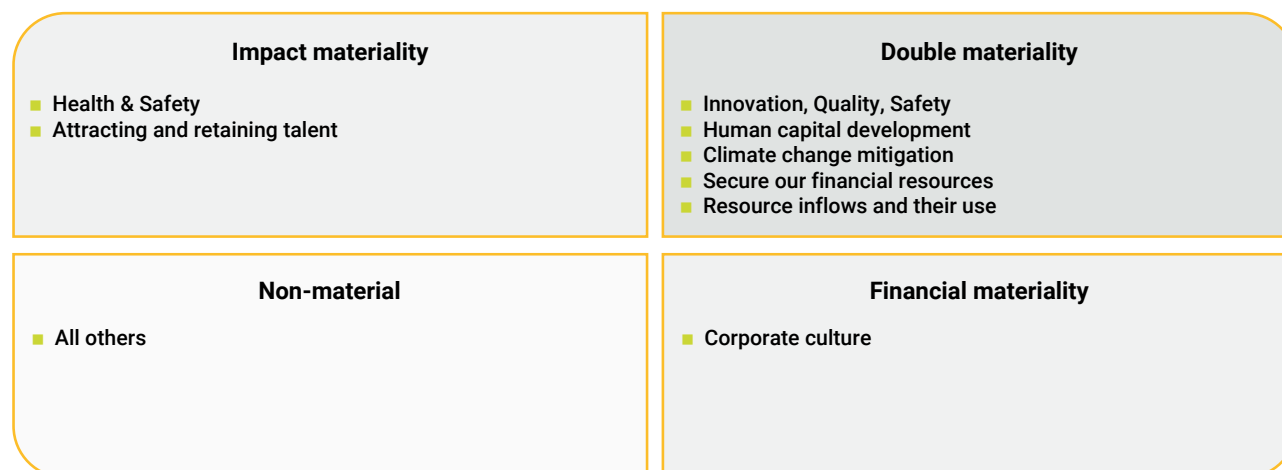
- **Attracting and retaining talent** - ESRS S1-a
- **Health & Safety** - ESRS -S1-a

The material challenge in the Financial sense is:

- **Corporate culture** - ESRS G1-a

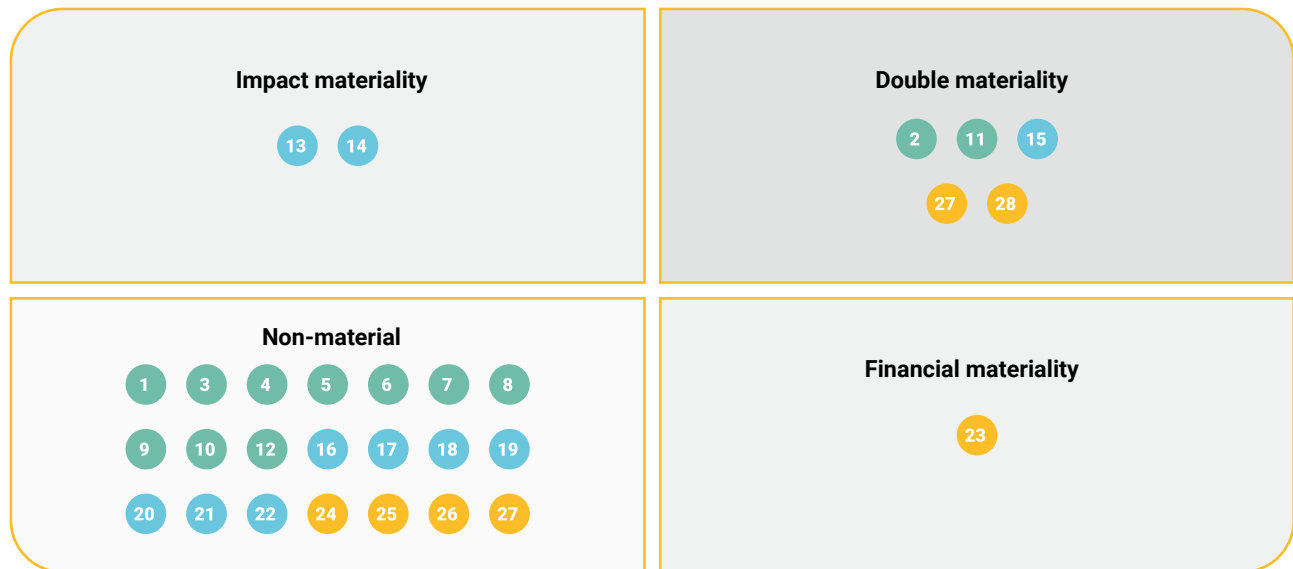
The summary of these results is presented as follows:

- in table form
- in graph form



3P	Pillar	ESRS	Sub-topic	Financial	Impact
PROFIT	Governance	G1	Corporate culture	2.93	1.20
PLANET	Environment	E1	Climate change mitigation	2.17	2.21
PLANET	Environment	E5	Resources inflows, including resource use	1.81	1.93
PEOPLE	Social	S1	Working conditions - Health and Safety	1.33	2.32
PEOPLE	Social	S1	Human capital development	3.62	1.99
PEOPLE	Social	S1	Attracting and retaining talent - Working conditions - LISI employees	1.43	2.42
PROFIT	Sustainable Business	BD.b	Secure our financial resources	1.71	2.48
PROFIT	Sustainable Business	BD.c	Innovation, Quality and Safety	4.00	2.44

OUR DOUBLE MATERIALITY MATRIX



Social

S1 Workforce

- 13 S1-a – Health and Safety
- 14 S1-a – Attracting and retaining talent
- 15 S1-b – Human Capital Development
- 16 S1-b – Equal treatment and opportunities
- 17 S1-c – Other labor rights

S2 Employees in the value chain

- 18 S2-a – Working conditions in the value chain
- 19 S2-b – Equal treatment and opportunities
- 20 S2-c – Other labor rights

S3 Rights of local communities

- 21 S3- – Rights of local communities

S4 Consumers & end users

- 22 S4 – Users and end users



Environment

E1 Climate

- 1 E1-a – Climate change adaptation
- 2 E1-b – Climate change mitigation
- 3 E1-c – Energy

E2 Pollution

- 4 E2-a – Air
- 5 E2-b – Water
- 6 E2-c – Soils
- 7 E2-d – Living organisms
- 8 E2-f – Hazardous substances

E3 Water and marine resources

- 9 E3 – Water management

E4 Biodiversity and ecosystems

- 10 E4 – Biodiversity and ecosystems

E5 Circular economy

- 11 E5-a – Resource inflows,
- 12 E4-b – Resource outflows



Governance

G1 Business conduct

- 23 G1-a – Corporate culture
- 24 G1-b – Responsible purchasing
- 25 G1-c – Business ethics
- 26 BD.a – Involvement in the local ecosystem
- 27 BD.b – Securing our financial resources
- 28 BD.c – Innovation, Quality and Safety

These issues are also included in our sustainable development roadmap, to which are associated targets, monitoring metrics and action plans.

This roadmap is monitored on a monthly basis by the Executive Committee. These non-financial risks are included in the mapping and the Group risk management of this Universal Registration Document in Chapter 5. They are reviewed annually by the Audit Committee and quarterly by the Executive Committee and the Group Risk Committee, including the Director of Sustainable Development.

Gap Analysis

Following these results, the CSR team worked on the analysis of the data points, known as Gap Analysis required by the CSRD. These data points can be qualitative, quantitative, or mixed in nature. This approach consists of analyzing LISI's ability to cover the data points.

Our analysis led to the following results for all the data points required to date by the CSRD, just under half of which are required for LISI:

- either because they are mandatory
- or because they are material, given our double materiality analysis.

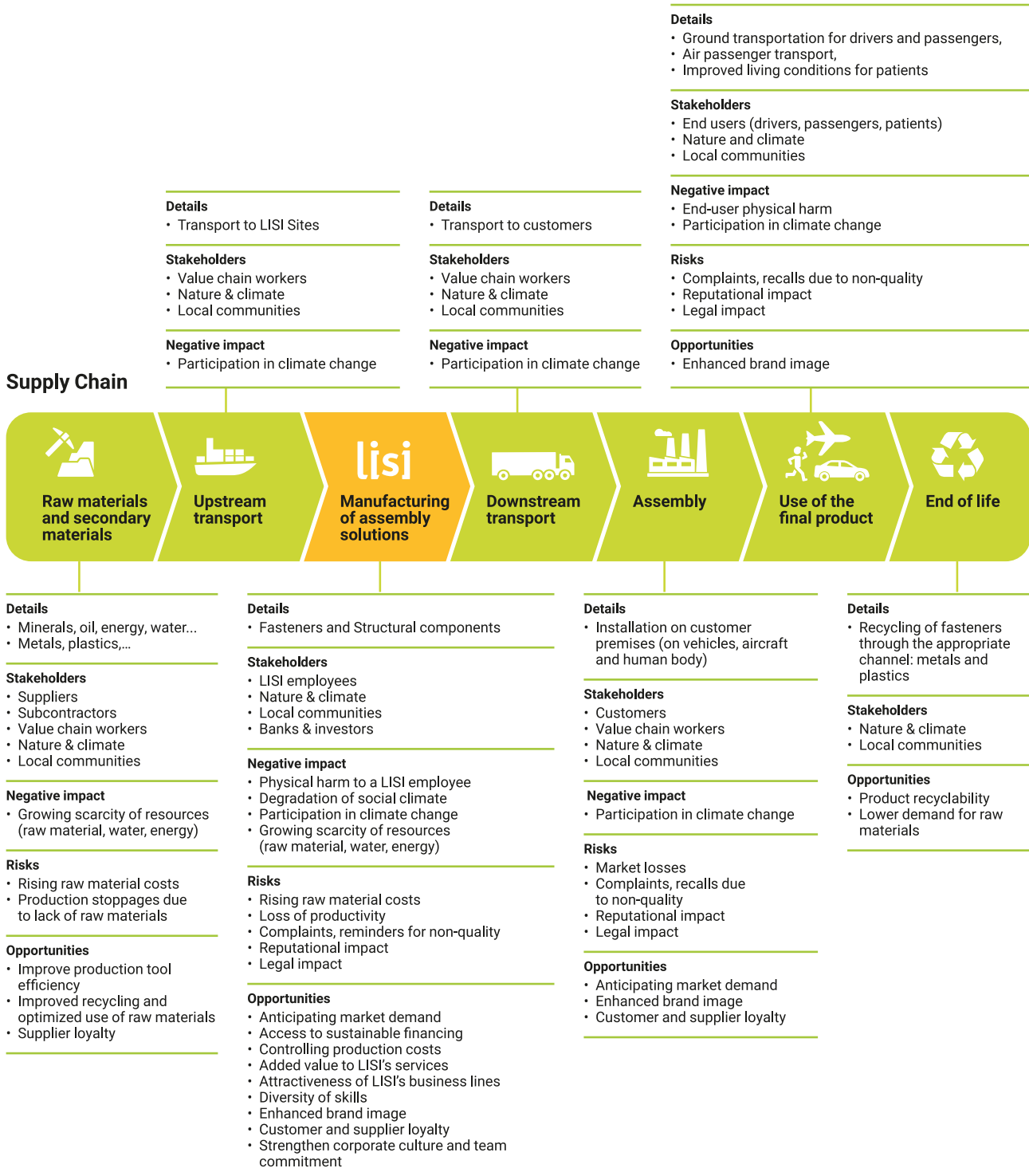
NB: this is a rough estimate

We mapped each data point to determine their level of availability/complexity:

- Published - already available
- Not published - but already available
- Not available - but easy to retrieve
- Partially available
- Not available - but difficult to retrieve
- Not applicable or Don't know

The impacts, risks and opportunities have been integrated into the value chain of our ecosystem. A graphical representation of our value chain and LISI's positioning in this value chain is provided below:

Presentation of material IROs in the value chain



For information, the segment breakdown of revenue from our activities in 2024 is as follows:

- LISI AEROSPACE: 57.4%
- LISI AUTOMOTIVE: 32.3%
- LISI MEDICAL: 10.3%

1.4 Governance and policies adapted to the challenges

The governance of the LISI Group is explained in chapter 6 - Corporate governance.

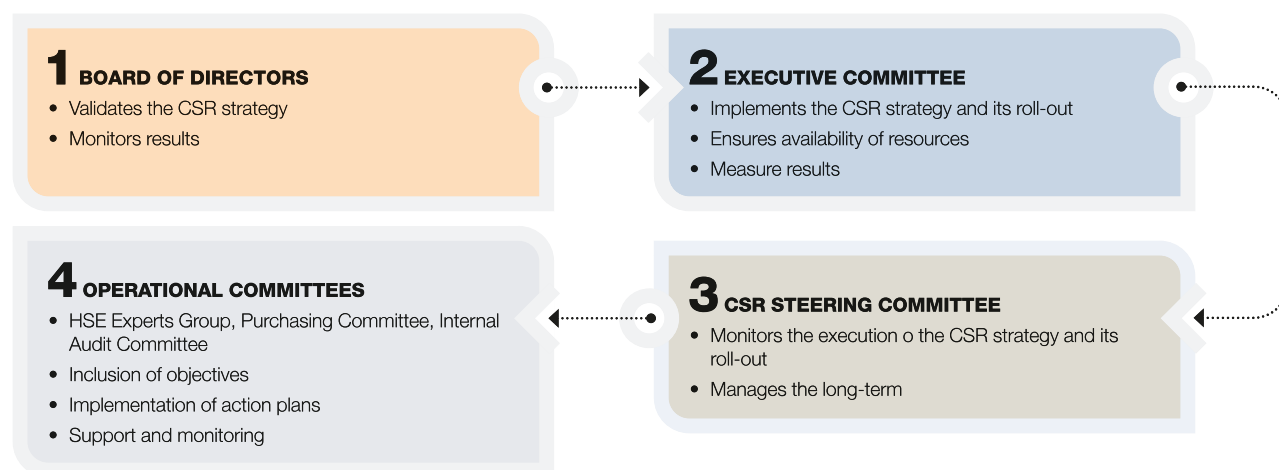
This section only concerns the governance of LISI's Corporate Social Responsibility, as well as CSRD issues.

1.4.1 The role of the administrative, management and supervisory bodies (GOV-1)



The transformation and sustainable development strategy was subject to regular strategic and operational monitoring by the Executive Committee and the Board of Directors.

The governance and management of our sustainable development strategy is presented in the table below:



- **The Board of Directors, with the support of the CSR Committee, which relies on the work of the Sustainable Development Department, determines and validates the Group's sustainable transformation strategy and verifies its proper operational implementation, through:**

- the analysis of non-financial risks;
- the review of sustainable transformation performance;
- dialogue on the orientations of the sustainable transformation strategy.

In 2023, the Board of Directors decided to create a CSR Committee composed of six members. This Committee met for the first time in September 2023.

In 2024, the Board's CSR Committee, sometimes associated with the Audit Committee, met four times. In particular, it assessed the results of the previous year, validated the approach taken with regard to the CSRD, approved a carbon trajectory balance scenario, encouraged the representation of women in management bodies and welcomed the implementation of a tool to measure attractiveness and retention. The work of the Board of Directors and the CSR Committee concerning CSR policy and issues is summarized in chapter 6.

- **Expertise and skills of the members of the Board of Directors and the CSR Committee**

- The members of the Board of Directors have a wide range of skills, expertise and experience in the field of sustainability, allowing them to analyze the various impacts, risks and opportunities specific to the Group in terms of environmental, social and governance.
- In 2024, all Board members received training from R3 Groupe on the carbon trajectory methodology and the issues of SBTi certification (*Science Based Target Initiative*).
- The expertise, skills and experience of the members of the Board of Directors are described in chapter 6.

- **The Executive Committee defines and guides the sustainable transformation strategy, through:**

- the definition of the sustainable development roadmap and its associated action plans;
- the dialogue on the integration of sustainable development into the Group's strategy and operations;
- the management of sustainable development performance;
- the oversight of Ethics & Business Conduct issues.

■ **At the Executive Committee, the Director of Corporate Social Responsibility (CSR) in charge of sustainable transformation monitors the roadmap and proposes continuous improvement focuses.**

■ **The CSR and Sustainable Transformation Department manages, leads, and coordinates the CSR strategy.**

- It reports on the progress of the roadmap to the Executive Committee and to the CSR Committee in charge of strategy and sustainable development.
- It ensures the due implementation of CSR in the various strategic plans of the functions and businesses, the integration of CSR in policies and processes, and the deployment of the approach across all Group entities. They discuss and exchange annually regarding:
 - the new orientations of the sustainable strategy;
 - the results of the action plans;
 - the mapping of non-financial risks;
 - the review of the annual non-financial audit.

The sustainable transformation department leads working groups (WGs) with the main key functions in this transformation:

- **The Carbon WG** is composed of representatives of the divisions. This Carbon WG proposes and carries out all long-term actions and projects to reduce LISI's carbon footprint and implement energy sobriety plans. It is also in charge of preparing LISI's Carbon Assessment (Scopes 1/2/3), and of continually improving its construction, notably with regard to the quality of data and the establishment of a reduction trajectory for LISI.

In 2024, the Carbon WG met three times. The work themes focused on:

- the achievement of the four carbon trajectory scenarios with the support of R3
- the simulation of the achievement of SBTi objectives;

- improving the inclusion of Scope 3 items in our carbon assessment;
- the commitment of suppliers to our approach;
- the participation in the preparatory work for the CSRD.
- **The Purchasing WG** is composed of the Lead Buyers of the six main purchasing segments with the highest impact in LISI's Carbon Assessment (Energy, Raw Materials, Subcontracting, Transport, Waste, IT). These lead buyers help the CSR sustainable transformation department to obtain actual consumption data and direct emission factors (Market-based Factor). They are also working to commit our value chain into a carbon reduction trajectory that will be reflected in LISI's Scope 3 in the medium term.

In 2024, the Purchasing WG met once. It worked on:

- the assessment of the 255 suppliers deemed sensitive in terms of CSR;
- the use of a CSR questionnaire for suppliers;
- an information letter to suppliers to involve them in our approach to reducing the carbon footprint and specify our expectations of them.
- **The Sustainable Finance WG** is composed of members of the CSR, Finance and Compliance departments. The objective of this WG is to prepare our organization to anticipate the European CSRD (Corporate Social Responsibility Directive) and the Taxonomy.

In 2024, the Sustainable Finance WG met numerous times in weekly workshops to prepare the work necessary to carry out the CSRD.

Lastly, the CSR strategy is shared by all in-house and integrated into the strategic plans of the 3 divisions.

1.4.2 Information provided and sustainability matters addressed (GOV-2)

The information provided to and the sustainability matters addressed by the governance bodies are presented:

- in summary form in the previous paragraph
- in detail in chapter 6

1.4.3 Integration of CSR issues in incentive policy (GOV-3)

The short-term (bonus) and long-term (performance-based shares) variable compensation systems are aligned with the Group's strategic objectives and incorporate social and environmental responsibility criteria.

Under the guidance of the Director of Sustainable Development, a reflection was carried out over 2023 on the update of these criteria and their extension. Working discussions took place within various bodies and with the help of the Executive Committee.

These discussions led to a consensus on the most relevant criteria to represent our actions on the Carbon trajectory

and those related to Diversity, Inclusion and Attractiveness.

The following decisions were taken:

- Concerning the health and safety criterion: maintenance of the TF1 (frequency rate of accidents with and without lost time for LISI employees and temporary workers – see section 3.1 on health and safety),
- Extension to gender diversity criteria with two new indicators: % of women among managers and % of women executives (on the Executive Committee and Leadership Board) ahead of the Rixain law,

- Better representation of our actions on the carbon trajectory with a combination of criteria:
 - A criterion representing our sobriety plans with an indicator linked to energy savings in MWh related to projects compared to the previous year's consumption,
 - A criterion to monitor the share of renewable energy produced on site or purchased,
 - A criterion linked to the responsible use of water resources at our sites subject to water stress,
 - A longer-term criterion to reflect our greenhouse gas emission reduction targets.
- In 2024, these criteria were included in the short-term (bonus) and long-term (performance-related shares) variable compensation targets. The results of these targets are presented in section 3.2.
- **With regard to the variable compensation of senior executives** (Executive Committee and Leadership Board), the choice of the CSR criterion used and its share in the Bonus portion, is adapted to the professional challenges of each person.
 - Thus, a Human Resources Director will have criteria related to PEOPLE, such as Attractiveness and Diversity in their Bonus with an impact that depends on the criticality of this issue on all other HR issues.
 - A Division Director will have issues on the 3 Ps (PEOPLE, PLANET, PROFIT) but in charts that will depend on the actual challenges of their division. For example, the Director of the MEDICAL Division having already achieved the Group's target for the % of women managers will certainly have another CSR criterion more adapted to their real issues.
 - An HSE Director will obviously have a CSR criterion on Health and Safety in a higher proportion than another senior executive since this is one of their priority issues.
- **With regard to the Group CEO**, the variable compensation also contains criteria for each of the 3Ps, but the proportion of which is adapted according to the

issues. The Board's NRG (Nominations, Compensation, Governance) Committee validates the proportional share of CSR and each of the criteria in the total, taking into account the reality of the strategic issues in all their diversity. Chapter 6 details these elements.

- **With regard to performance share programs**, they depend on the achievement of targets from
 - financial reporting (PROFIT)
 - non-financial reporting (PEOPLE, PLANET, PROFIT),
 - as well as a portion related to the employee's attendance.

The proportion of CSR criteria among all criteria is generally 30%. Among the CSR criteria selected are three criteria from PEOPLE and PLANET.

The PROFIT criteria are taken into account in the share of financial performance criteria.

For example, for the 22C25 plan, the CSR criteria used were:

- PEOPLE: the frequency rate of accidents with lost time (TF1), which should reach a target of less than 6
- PEOPLE: the percentage of women managers, which should reach 28.5%
- PLANET: the % of energy (in MWh) saved compared to the previous year's consumption thanks to projects launched at the sites.

It is generally decided to introduce floor and ceiling charts to some of the criteria. Below the floor, the criterion does not allow distribution. At the ceiling or above, the criterion is met and allows a full distribution. Scales are provided between the floor and the ceiling, enabling distribution in stages.

The Board's NRG Committee examines the conditions for the allocation of current or new distribution plans, which include both financial and non-financial criteria. Chapter 6 details these elements.

1.4.4 Investment policy integrating CSR issues

In 2023, the LISI Group reviewed its investment procedure (CAPEX) to align it with the 3P program (People, Planet, Profit). In the past, only the Profit analysis (IRR and Payback) was required.

From now on, each major investment must account for its impact on each of the 3Ps.

- **PEOPLE:** an impact grid is requested on the subjects: machine compliance, workstation ergonomics, hazardous products.

- **PLANET:** a calculation of greenhouse gas emissions (Carbon Impact). The assessment compares the situation before/after in tons of CO₂ equivalent.

- **PROFIT:** a calculation of the rate of return on investment and payback.

REMINDER OF CRITERIA

Financial decision-making criteria	Acceptable	To be deepened
IRR - %	19%	15%
Payback - years	5	7
Environmental decision-making criteria	Favorable	Unfavorable
Carbon savings - tCO ₂	> 0	< 0

The purpose of this policy is to make factual strategic thinking on the impact of our investments on the environment and on working conditions.

It must raise awareness of our decisions on the three aspects (our 3Ps) and integrate concepts other than just profit in the decision.

This procedure was implemented in the second quarter of 2023.

Conditions set out in the procedure: the following projects must include a calculation of greenhouse gas emissions (Carbon impact):

- All projects of more than €250 thousand, regardless of the purpose;
- All projects in the following categories regardless of the amount:
 - new building or building renovation projects, or projects relating to the intelligent management of buildings, energy or utilities (HVAC, BMS, etc.),

- renewable energy or fossil fuel projects,
- projects associated with the decarbonization or energy sobriety plan.

- In 2023, implementation was partial
 - The LISI AUTOMOTIVE division had applied this new procedure to 16 investments.
 - The LISI AEROSPACE division had applied this new procedure to 14 investments.
- In 2024, all of the investments for the year were made in compliance with the investment procedure incorporating CSR issues.
- The share of investments in 2024 that had a favorable impact in terms of CO₂ represents 7.3% of the annual amount of investments committed during the year. Details of these investment projects are presented in chapter 4.3.

1.4.5 The responsible purchasing policy integrating CSR issues

In 2023, LISI amended its Suppliers Charter to better integrate the CSR challenges expected from our partners.

In particular, LISI suppliers must undertake to:

- Respect the 10 principles of the United Nations Global Compact - GLOBAL COMPACT;
- Comply with conflict minerals regulations - CONFLICT MINERAL ACT;
- Comply with the regulations associated with the dangerousness of products in the countries to which they are delivered (e.g. EU: REACH, SDS, CLP, ROHS or its equivalents for other countries);
- Comply with all anti-corruption laws and regulations, as well as the LISI Anti-Corruption Code of Conduct;
- Fight against all forms of discrimination;

- Engage in an innovative design approach for products or services that is eco-responsible;
- Respect the principles of ISO 14001 and ISO 45001 and converge as much as possible towards certification;
- Reduce their environmental footprint by undertaking an ambitious, structured approach with clearly established objectives;
- Communicate each year the Greenhouse Gas (GHG) emissions associated with the products and services purchased

Details of LISI's responsible purchasing policy are discussed in the PROFIT chapter in section 4.4.

1.4.6 Reporting adapted to the issues

In order to measure the full impact of our flagship CSR projects, new CSR metrics were introduced in 2023 to monitor our performance and objectives. This reporting, adapted to CSR issues, is monitored every month in the Balanced Scorecards of all levels of the organization

- sites,
- business groups,
- divisions,
- at Group level on a consolidated basis.

They are:

people

- % of resignations (No. of resignations/Total registered employees)
- % of women among managers (No. of women managers/No. of managers)

planet

- % of energy savings in MWh versus Y-1 consumption achieved through projects
- % of renewable energy produced on site
- % of sites in water-stressed areas that have implemented an action plan

profit

- % of suppliers assessed as sensitive in terms of CSR

The 2024 results are presented in section 1.2.1.4.

1.4.7 Statement on the due diligence process

LISI faces difficult situations of various kinds, whether economic, technical, industrial, commercial or ethical, on a daily basis. These situations challenge us both as individuals and as professionals.

LISI has formalized recommendations and guidelines to guide all employees in maintaining an integrity framework that meets the highest ethical standards, corresponding to the Group's values and making it possible to deal with these situations. These recommendations and guidelines are brought together in its Code of Conduct, established in 2023 and reviewed in 2024. This addresses topics such as:

- corruption,
- facilitation payments,
- gifts given or received,
- sponsorship actions,
- donations,
- fun events and
- conflicts of interest.

This process was overseen by the Group's Senior Management. Any deviations from its application are supervised by the Group Ethics Committee, composed of the Group Secretary General, the Human Resources Director and the Director of Governance, Risk Management and Compliance (GRC).

The anti-corruption section of the LISI Code of Conduct underlines the complete absence of tolerance of any corruption. The training of all Group employees on the Code of Conduct, carried out in 2024, contains examples of potential corruption situations and describes the resolution actions expected of the Group's employees. The integration of this training was assessed by submitting

each participant to a multiple-choice questionnaire including scenarios. A 70% correct response rate was necessary to validate the training. The rare cases of postponement were immediately subject to a new training session, also concluded by the submission of a verification questionnaire.

In accordance with Law No. 2017-399 of March 27, 2017 on the duty of care, which requires the implementation of a vigilance plan covering environmental, governmental and social aspects, the LISI Group has determined the five measures applicable to itself, its suppliers, its subcontractors and other stakeholders who make up its vigilance plan:

- **Preparing a risk mapping:** The risk mapping covering the duty of care is already handled through internal control procedures described in chapter 5 – Risk factors.
- **Creating procedures for the regular assessment** of subsidiaries, subcontractors and/or suppliers with which a business relationship is established, in view of risk-mapping;
- **Setting up adapted action plans** to mitigate risks or prevent serious breaches;
- **Setting up a system to generate alerts and collect red flags** relating to the existence or occurrence of these risks;
- **Setting up a system to monitor the measures** implemented and evaluate their effectiveness.

In 2019, the LISI Group began to implement a set of measures for compliance with the Sapin II Law, which, in a similar manner to its CSR policy, aims to meet its duty of care requirements. Thus, for example, the whistleblowing and reporting system set up on the LISI Group website has been active since the beginning of 2018. Its purpose is to collect and process, in a completely confidential manner, any alert that may be issued, whether by an employee, a supplier or any other stakeholder of the LISI Group.

In 2024, the LISI Group worked on defining a conflict of interest for the Group. To do this, it mapped sensitive processes, sensitive functions and at-risk operations. It also defined the frequency of reporting on conflicts of interest, the sanctions applicable in the event of undeclared conflicts of interest and the precautionary measures to be put in place in the event of doubt. Lastly, a campaign to identify existing conflicts of interest was carried out, with the Ethics Committee then reviewing the declarations and defining, if necessary, the framework allowing the harmlessness of conflicts of interest, during three working sessions. It then verified the correct implementation of its recommendations.

The whistleblowing system

In order to enable each stakeholder, whether internal or external, to report any event in a safe, secure and efficient

manner, the LISI Group has set up a reporting system, accessible since April 1, 2018, from its internet portal.

Due to the LISI Group's international dimension, this whistleblowing system is available in nine languages. The alerts that can be reported through this system may raise issues related to the fight against corruption and also to the duty of care, whether or not they have an impact on the Group's reputation, its activities or its results.

The reports are then managed by the Ethics Committee, which may delegate its investigative work to third parties subject to confidentiality. To facilitate its use, an alert collection procedure has been created. The design of this system, carried out with an external service provider, allows for efficient and confidential processing of alerts.

As an incentive, LISI decided and explained the fact that any employee who reports a potential violation of the Code of Conduct in good faith is protected by law against all forms of retaliation. In 2024, it also specified the framework for using its reporting system. This system, which is completely managed internally, meets the legal requirements since it is a secure system which protects the whistleblower. In 2024, two reports were brought to the attention of the Ethics Committee.

Core elements of due diligence	Structure of the sustainability report
a. Embedding due diligence in governance, strategy and business model	Governance: 1.1 / 1.2.2.2 - / 1.4.7 / 1.4.8
b. Engaging with affected stakeholders in all key steps of due diligence	Environment: 2.3 Social: 3.1.2 / 3.1.4 / 3.2.2 / 3.2.4 Governance: 4.1.2 / 4.1.4
c. Identifying and assessing adverse impacts	Environment: 2.4 Social: 3.1.3 / 3.2.3 Governance: 1.2.2 / 4.1.3 / 4.2.1
d. Taking measures to remedy these impacts	Environment: 2.5.2 Social: 3.1.5 / 3.2.5 / 3.2.6 Governance: 4.1.5 / 4.2.2 / 4.2.3 / 4.2.4
e. Monitor the effectiveness of these efforts and communicating them	Environment: 2.5.3 / 2.5.4 Social: 3.1.6 / 3.2.5 / 3.2.6 Governance: 4.1.6 / 4.1.7

1.4.8 Risk management and internal controls over sustainability reporting (GOV-5)

Pursuant to the Financial Security Act of July 17, 2003 (Article L.225-35 of the French Commercial Code), the LISI Group has an Internal Audit Department responsible for verifying the application of the management and internal control manual. This manual contains the Group's procedures. Its purpose is to ensure the efficiency of its internal control system, built on the COSO framework.

The primary missions are:

- Verifying compliance with the management policies defined by the Executive Committee and other management bodies approved by the Board of Directors,
- Verifying the proper safeguarding of assets and their regular use with regard to the corporate purpose of each legal entity,
- Verifying the accuracy and completeness of accounting records
- Verifying the correct preparation of the reporting and accounting information, their reliability and their accuracy, within the time limits given by the group,
- Ensuring compliance with the principle of separation of duties and functions,

- Preventing and detecting irregularities in the application of the management and control manual. Issuing recommendations to promptly correct identified discrepancies and verifying the proper application of defined action plans.

The Internal Audit Department reports to the Group's Governance, Risk and Compliance Department, which presents its work to the Audit Committee, itself part of the Board of Directors. Twice a year, the Committee reviews the work carried out, which is communicated to the external auditors.

While sustainability is at the heart of the Company and its management procedures, the internal control manual will be adapted in 2025 and will cover the accuracy of non-financial reporting. It should be noted that non-financial reports were audited by the Statutory Auditors as part of the NFPS. In 2025, work will also be carried out to verify that the risks identified by the double materiality analysis are properly taken into account in the internal audit processes.

1.5 Policy adopted to manage material and compliance issues

1.5.1 International frameworks and external expertise

LISI ensures compliance with best environmental, labor and societal practices and adheres to recognized international norms and standards. The Group also relies on recognized CSR partners and methodologies to support and control its supply chain and develop its climate strategy, as well as on international reporting frameworks to ensure its transparency and on certifications to guarantee the quality of processes and its employer brand.

- LISI's CSR strategy contributes to **the United Nations Sustainable Development Goals (SDGs)**. LISI supports the goals of this program and thus identified, in 2019, among the 17 SDGs, the 12 to which the Group contributes through its CSR actions and its activities.
- The 3 Ps of its CSR strategy thus contribute to the SDGs presented in the table below through the policies and action plans described.

people	planet	profit
 3. GOOD HEALTH AND WELL-BEING Health & Safety Policy. Prevention of accidents. Prevention of occupational risks and diseases	 6. CLEAN WATER AND SANITATION Efficiency in water use	 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE Encouraging innovation and R&D. Modernising infrastructure. Promoting a sustainable industry, more efficient use of resources, more environmentally friendly processes
 4. QUALITY EDUCATION Training and development of employees' skills, notably through the LISI Knowledge Institute	 7. CLEAN AND AFFORDABLE ENERGY On-site renewable energy production and external supply	 12. RESPONSIBLE PRODUCTION AND CONSUMPTION Life cycle analysis of products. Ecoconception. Reduction of raw material scrap. Circular economy
 5. GENDER EQUALITY Specific recruitment, promotion and development of women. Promoting equal employment	 11. SUSTAINABLE CITIES AND COMMUNITIES Preservation of industrial heritage. Promoting inclusive urbanization	 13. MEASURES TO COMBAT CLIMATE CHANGE Development of less carbon intensive processes
 8. DECENT WORK AND ECONOMIC GROWTH Improving working conditions and quality of life at work	 12. RESPONSIBLE PRODUCTION AND CONSUMPTION Sustainable waste management through recycling	 17. PARTNERSHIPS TO ACHIEVE GOALS Partnerships for sustainable innovation with start-ups, our customers, our suppliers
 10. REDUCED INEQUALITIES Fight against all forms of discrimination. Promote the employment of young people and seniors	 13. MEASURES TO COMBAT CLIMATE CHANGE Reduction of the CO ₂ footprint. Adaptation to increased risks of climate change (flood, storm...)	

LISI's CSR commitments are based on recognized international standards, principles and frameworks:

- ISO standards: ISO 9001, ISO 14001, ISO 45001, ISO 26000,
- The standards of the Global Reporting Initiative (GRI),
- The UN Sustainable Development Goals,
- The UN Global Compact.

Our commitments also seek to align to the best practices of certain assessment bodies such as the Carbon Disclosure Project (CDP) or Ecovadis.

1.5.2 ISO 14001 / ISO 45001 / ISO 50001 / ISO 26000 certifications

LISI has been certified according to ISO 14001: v2015 and ISO 45001: v2018 by Bureau Veritas since 2021. The Group is audited each year and a re-certification audit was successfully carried out in 2024 to verify continued

compliance with these two standards. It should be noted that this re-certification was an opportunity to integrate two new American sites into the scope (LISI AUTOMOTIVE Termax Lake Zurich and LISI AEROSPACE Garden Grove).



41 out of the 47 sites (87%) have dual ISO 14001: v2015 & ISO 45001: v2018 certification, either through multi-site LISI certification (40 sites), or via local certification.

- Shanghai (China): the ISO 14001 & ISO 45001 certificates issued in Europe are not recognized by the Chinese government. This site is therefore certified locally.
- Bangalore (India), Livonia (United States), Queretaro (Mexico), and Suzhou (China) were recently acquired (or majority interest acquired). The LISI Group must put in place the Group's HSE management system before including them in the multi-site certification.
- Ayguemorte-les-Graves (France) is fully autonomous and integrated (process, revenue, etc.). Even though the site is not certified, it applies the principles of the Group's HSE management system.
- Chaumont (France) is a new site resulting from the relocation of part of the facilities of the Bologne site. The site applies the Group's HSE management system. Integration into the Group certification scope will be planned when the move is finalized.

15% of sites (7 sites) also have ISO 50001: v2018 certification on an individual basis. These are the following sites: Izmir (Turkey), Saint-Brieuc, Saint-Ouen-l'Aumône, Villefranche-de-Rouergue, Vignoux-sur-Barangeon (France), Tangier (Morocco) and Mellrichstadt (Germany).

Finally, six sites were assessed individually according to ISO 26000: v2020: Izmir (Turkey), Saint-Brieuc, Saint-Ouen-l'Aumône, Villefranche-de-Rouergue, Vignoux-sur-Barangeon (France) and Tangier (Morocco).

1.5.3 CSRD and Duty of Care

This chapter on sustainable performance addresses:

- the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) no. 537/2014.

- the requirements of Law no. 2017-399 of March 27, 2017 on the duty of care (see section 1.4.7).

2 PLANET – Environmental information (ESRS E)

2.1 Context and challenges

Due to its industrial and historical activities, the LSI Group has had an impact on the environment, notably through its consumption of raw materials, energy, water, and its greenhouse gas emissions. As a responsible company, LSI makes every effort to limit its impacts.

2.1.1 LSI and the management of resource inflows [ESRS E5]

In a context of increasing scarcity of natural resources and a reduction in the ecological footprint, the management of resources is becoming strategic for LSI. It is not limited to reducing costs, but is part of a sustainability and responsibility approach.

The scarcity of raw materials, whether metals, plastics or other essential materials, directly impacts costs, margins and competitiveness. Production interruptions due to shortages are also a major risk, affecting lead times, customer satisfaction and reputation.

Faced with these challenges, LSI sees opportunities to transform these constraints into performance drivers.

- Cost reduction: Better planning, advanced technologies and optimized processes reduce waste and save money.
- Increased efficiency: Investing in modern equipment improves productivity while reducing the environmental footprint.
- Reinforced recycling: The integration of recycled materials directly into the manufacturing process or *via* specialized recycling channels, as well as the development of new techniques limit dependence on virgin resources and promote a circular approach.

By transforming these constraints into performance drivers, LSI aims for competitiveness and sustainability

2.1.2 LSI addressing the challenges of climate change [ESRS E1]

Climate change is redefining balances and imposing new requirements, particularly in LSI's key sectors: aeronautics and the automotive industry. The transition to electric vehicles and low-carbon aircrafts is essential, requiring significant investments in process innovation as well as in research and development to adapt our products.

Customers and regulators now expect environmental performance. To ignore these expectations is to risk losing market share, limiting access to financing and incurring additional costs related to stricter regulations.

Faced with these challenges, LSI also sees opportunities for growth and innovation.

- The development of low-carbon products for electric vehicles and aircrafts positions LSI as a major player in the energy transition and opens up new market opportunities.
- By anticipating demand, LSI stands out from the competition, captures new market share and guarantees a greener and more competitive supply chain.

Thus, LSI transforms these constraints into drivers of innovation and sustainable growth.

2.2 Policy and targets

Through its environmental policy, the LISI Group affirms its desire to improve its environmental footprint and meet its obligations and commitments related to the environment. This policy is part of the Group's ISO 14001 multi-site certification.

It describes the commitments made in terms of environmental protection, in particular:

- the energy efficiency of its production sites and reducing energy consumption,
- reducing the carbon footprint,

- developing renewable energies,
- managing water dependency,
- eco-design of products,
- the eco-responsibility of its processes and purchases and the involvement of our supply chain in this approach.

The Group is committed to reducing its greenhouse gas emissions by 30% compared to 2019, in Scopes 1 and 2 and Scope 3 (raw materials and transport).

2.2.1 LISI AUTOMOTIVE goes G.R.E.E.N.

In addition to the Group's commitments, since 2021, the LISI AUTOMOTIVE division has been committed to a successful approach called "LISI AUTOMOTIVE goes G.R.E.E.N".

In this context, the LISI Group strives to develop the circular economy by sorting and recycling as much waste as possible:

- through the recycling of metal waste *via* dedicated channels,

- by reintroducing as much recycled plastics as possible in its process (concerning plastic injection),
- by giving maximum priority to material deformation processes (forging, cold forging),
- using reusable packaging standards whenever possible.

2.2.2 Team training & environmental culture

LISI is convinced that it is thanks to the commitment and skills of all its employees that it will be able to achieve its goals in terms of Corporate Social Responsibility and Health and Safety at Work. The women and men at LISI are the main ambassadors of this approach.

The Group's CSR department has built a large number of opportunities to train/raise awareness at the various levels of the Company's management:

- the Leadership Board, the plant managers through their joint path within LKI and all the plant management committees that were visited during this year.
- Each new plant manager benefits from an individual interview with the Director of Corporate Social Responsibility & Digital Transformation within three months of taking up the position. During this meeting, the CSR approach and strategic objectives are discussed.
- All newly hired managers receive onboarding training at LKI which lasts for several days. During these days, the Director of Corporate Social Responsibility & Digital Transformation presents the 3P program (People, Planet, Profit) and gives meaning to our actions.

More generally, training is provided on a regular basis:

In 2024,

- 10,885 people took part in safety awareness-raising sessions on the importance of information reporting, the Bird Pyramid and the "I see – I act" approach; which represents 21,770 h
- 65.5% of buyers were also trained in CSR, particularly as a stakeholder in Scope 3. Two training sessions took place in 2024: one in the United States at the Torrance site with 10 participants, and one in France at Grandvillars with 11 participants.

The Climate Fresk is also a tool regularly used by our French entities to increase environmental culture.

It is through global and local initiatives that we are strengthening our environmental culture. The Group's sites are encouraged to develop initiatives to promote this culture.

2.3 Governance and organization

For non-climate topics, an annual HSE department review makes it possible to determine the HSE strategy and build the roadmap for achieving targets. Taking part in this management review are:

- Two members of the Executive Committee: the Industrial and Purchasing Director, the CSR & Digital Transformation Director,
- The Group HSE Manager,
- The Group CSR Manager,
- The Chief Executive Officer of LISI MEDICAL and the Quality and Industrial Performance Directors of LISI AEROSPACE and LISI AUTOMOTIVE,
- The HSE Directors of each division.

An HSE Expert Committee also meets on a monthly basis. It is composed of:

- The Industrial and Purchasing Director,
- The Group HSE Manager,
- The Group CSR Manager,
- The HSE Directors of each division.
- Also invited are: the Chief Executive Officer of LISI MEDICAL and the Quality and Industrial Performance Directors of LISI AEROSPACE and LISI AUTOMOTIVE.

This committee has an operational role of support and continuous improvement in the areas of health, safety, and the environment. It makes it possible to monitor the progress of the roadmap and the trend of performance metrics with regard to the objectives set in the policy.

With regard to climate issues, a Carbon WG has met quarterly since 2022 to work on the carbon strategy:

- Work on the Carbon Trajectory (long-term scenarios), comparison with SBTi trajectories
- Determination of future projects
- Monitoring and adaptation of the GHG assessment
- Definition of operational management indicators.
- Improvement in quantity and quality of the data.
- Determination and adaptation of monitoring tools for these indicators.
- Monitoring the progress of decarbonization action plans (renewable energies, sobriety plans, etc.).

It is composed of:

- Chief Sustainability & Digital Transformation Officer
- The Group CSR Manager
- The LISI AEROSPACE CSR Officer, and the LISI AUTOMOTIVE LCA (Life Cycle Analysis) engineer.

2.4 Reminder of environmental IROs

The table below summarizes the material impacts, risks and opportunities in the environmental field for LISI.

ESRS	Issues	Impact et Risque	Opportunité
E1	Climate change mitigation: Climate change mitigation means reducing the degree of warming of the climate. This involves reducing the greenhouse gas emissions that are the cause at each stage, from production to distribution. For LISI, this means reducing the carbon footprint of our production activities, our value chain and the carbon impact of the use of our products and services.	■ Adaptation of the aeronautics and automotive markets to less emitting vehicles (electric vehicles, low-carbon aircraft, etc.) ■ Increasing demand from customers discriminating against the least performing companies ■ Decline ■ Difficulties in accessing financing due to activities in sectors deemed harmful to climate change ■ Risk of stricter regulations	■ Development of new products on lower emitting vehicles (electric vehicles, low-carbon aircraft, etc.) ■ Proposal of technical solutions with a lower carbon impact ■ Proposal of solutions with higher added value on the carbon footprint ■ Anticipation of market demands to be pioneers ■ Support for suppliers to have a competitive global offer on the carbon component ■ Accessibility to financing and subsidies to develop beneficial products/processes for climate change mitigation.
E5	Circular economy, eco-design, life cycle - resource inflows: The circular economy is the production of goods and services that greatly limits the consumption and waste of resource inflows and outflows and waste. Resource inflows are the elements used to manufacture a product or packaging.	■ Scarcity of raw materials ■ Increased costs ■ Production stoppages due to lack of raw materials	■ Lower production costs ■ Production tool efficiency ■ Improving recycling and optimizing the use of raw materials

Climate change mitigation:

Climate change mitigation involves reducing greenhouse gas emissions at every stage, from production to use of products. For LISI, this means limiting the carbon footprint of its activities, value chain and products.

Impacts and risks:

- Transition to electric vehicles and low-carbon aircraft.
- Increased demands from customers and regulators.
- Potential decrease in demand for polluting products.
- Reduced access to financing and stricter regulations.

Opportunities:

Despite these challenges, climate change mitigation can also offer many opportunities for LISI:

- The development of new products for lower emitting vehicles, such as electric vehicles and low-carbon aircrafts.
- The proposal of technical solutions with a lower carbon impact, thus meeting the expectations of customers and regulators.
- The creation of solutions with higher added value on the carbon footprint, making it possible to stand out in the market.
- Anticipating market demands to be pioneers and leaders in the field of emission reduction.
- Support for suppliers to offer a competitive global solution on the carbon component.
- Accessibility to financing and subsidies to develop products and processes that are beneficial for climate

change mitigation.

Circular economy, eco-design, life cycle - resource inflows:

The circular economy is the production of goods and services that greatly limits the consumption and waste of resource inflows and outflows as well as waste. Resource inflows are the elements used to manufacture a product or packaging.

Impacts and Risks:

The transition to a circular economy involves several risks:

- The scarcity of raw materials, which can lead to higher costs and production stoppages in the event of shortages.
- An increase in production costs due to the need to find sustainable alternatives.
- Production stoppages caused by a lack of available raw materials.

Opportunities:

Despite these challenges, the circular economy can also offer many opportunities for LISI:

- Lower production costs through more efficient use of resources and reduced waste.
- An improvement in the efficiency of the production tool, making it possible to maximize the use of raw materials.
- Optimization of the recycling and use of raw materials, contributing to a more sustainable and environmentally friendly production.

2.5 PLANET - Climate change mitigation (ESRS E1)

2.5.1 Climate transition strategy

2.5.1.1 - Climate trajectory and targets

Due to its industrial activities and its history, the LISI Group has an impact on the environment, notably through its consumption of raw materials, energy, water, and its liquid or atmospheric discharges. As a responsible company, LISI makes every effort to limit its impacts through an environmental management system based on the ISO 14001 standard.

Our products are not intended for the end consumer. Nevertheless, they contribute to reducing the impact on climate change through their use by customers. Our parts are mainly used in means of transport. LISI works in close collaboration with its customers (Stellantis, Renault, Volkswagen, ZF, Airbus, Boeing, Safran, GE, Pratt & Whitney, etc.), in order to reduce the weight of its parts (and therefore the consumption of aircrafts and vehicles). This weight reduction, in addition to other innovative solutions provided by LISI, reduces fuel consumption and therefore reduces the impact on climate change.

LISI has undertaken considerable efforts to align its greenhouse gas (GHG) emission reduction trajectory with the objectives of the **Science Based Targets (SBTi) initiative**.

- Scopes 1 & 2: We are on track to meet SBTi commitments on Scopes 1 & 2.
- Scope 3: The market growth context, associated with powerful constraints in the value chain, particularly with our raw material suppliers, make the strict achievement of SBTi objectives for this scope very complex.

Faced with these constraints, we have made the pragmatic decision to keep our compass set on the SBTi objectives and to provide the resources necessary for this trajectory. However, in agreement with our Board of Directors, it was decided not to set a firm constrained commitment for

Scope 3 and to maintain the flexibility to aim for this result at a pace that is easily digestible for our organization both on the financial level and more pragmatically, on our ability to move forward with our raw material supplier partners.

Thus, LISI is committed to reducing its GHG emissions by 30% by 2030 compared to 2019 on Scopes 1 & 2 and partial 3 (Materials & Freight).

This ambitious target is compatible with the SBTi objectives on Scopes 1 and 2.

It reflects our determination to make tangible and measurable progress in our decarbonization process.

LISI remains resolutely committed to playing an active role in the transition to a greener economy, while taking into account the operational and economic realities we face.

Definitions:

- **SCOPE 1:** direct emissions from fixed or mobile facilities located within the organizational scope, i.e. emissions from sources owned or controlled by LISI.
- **SCOPE 2:** indirect emissions associated with the production of electricity, heat or steam imported for LISI's activities.
- **SCOPE 3:** the other emissions indirectly produced by the organization's activities that are not accounted for in Scope 2 but that are linked to the complete value chain such as: purchases of raw materials, services or other products, employee travel, upstream and downstream transportation of goods, management of waste generated by the organization's activities, use and end-of-life of products and services sold, capitalization of production goods and equipment. Partial Scope 3 = emissions associated with raw materials and transport.

2.5.1.2 - Climate transition risk

The risks associated with the climate transition are monitored at the highest level of the organization, like all other business risks. The “climate transition” risk was introduced in the risk mapping in 2019.

LISI has comprehensively reassessed the climate transition risks in 2023 by applying the Carbon Disclosure Project (CDP) methodology. For each risk and each opportunity, various criteria were assessed and quantified, including: frequency, severity, potential financial impact, estimated cost of risk control. An exhaustive list of risks and opportunities was drawn up and the most significant risks were published in the response to the CDP questionnaire.

The risk categories considered are as follows:

- Existing and future regulations,
- Technology,
- Market development,
- Reputation / image,
- Physical (occasional or chronic), associated with extreme weather events.

Some examples of identified risks:

- exposure to extreme weather events,
- emerging taxonomic regulation,
- increase in insurance premiums,
- growing demand from customers for parts that emit fewer greenhouse gases.

The categories of opportunities considered are as follows:

- Resource efficiency,
- Energy source,
- Products and services,
- Markets,
- Resilience.

Some examples of opportunities identified:

- Facilitated access to renewable energies,
- Reduced returns on investment for energy sobriety projects,
- The development of new parts for new customer markets (electric vehicles, low-carbon aircrafts, etc.).

2.5.2 Action plans

2.5.2.1 - Scopes 1 & 2

The main contributions to the LISI Group’s Scopes 1 & 2 greenhouse gas emissions are from energy consumption, notably electricity and natural gas. The energy is used in the manufacturing process and in heating premises.

The LISI Group seeks to reduce its energy dependency and carbon emissions in Scopes 1 & 2. Thus, it acts on two axes:

- **the optimization of its energy consumption,**
- **the development of renewable energies.**

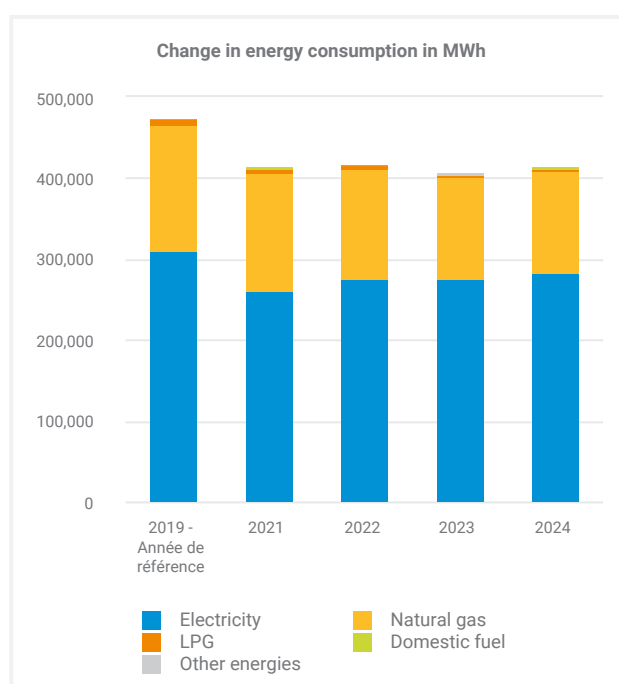
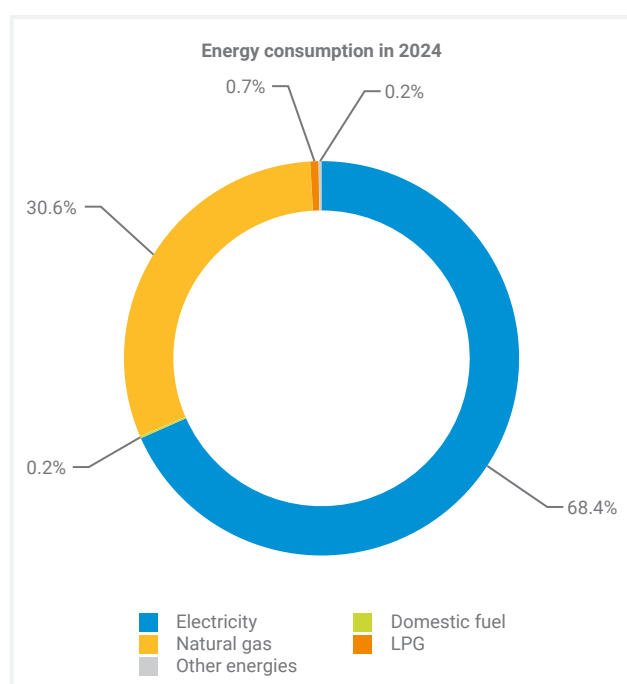
By 2030, the LISI Group aims to:

- have at least 20% renewable energy in its energy mix
- reach 3% self-production in renewable energies
- optimize its energy consumption by 10% between 2019 and 2030.

In 2024, the LISI Group’s total energy consumption amounted to 415,691 MWh, a consumption up by 2.2% compared to 2023, despite the activity which increased by 9.0%. Compared to 2019, consumption in MWh was 12.7% lower.

Energy consumption in MWh	2019 - Baseline year	2021	2022	2023	2024	Change vs 2023	2019 - Baseline year	Proportion
Electricity from network (non renewable)	311,181	262,895	276,260	277,256	274,707	-0.9%	-11.7%	66.1%
Electricity from network (renewable)	nd	nd	nd	nd	7,337	nd	nd	1.8%
Natural gas	157,679	146,077	136,262	124,417	127,009	2.1%	-19.5%	30.6%
Biogas	nd	nd	nd	nd	-	nd	nd	—%
LPG	5,348	5,044	4,680	3,714	2,851	-23.2%	-46.7%	0.7%
Domestic fuel	1,417	675	753	736	726	-1.3%	-48.7%	0.2%
Other energies	570	1,224	949	728	929	27.7%	63.0%	0.2%
Renewable electricity production (sold to network)	-	-	-	-	-	N/A	N/A	—%
Renewable electricity production (self consumed)	-	-	-	1,022	2,131	108.6%	N/A	0.7%
TOTAL	476,195	415,915	418,904	406,851	415,691	2.2%	-12.7%	100.0%

It should be noted that the renewable electricity produced and self-consumed was not included in the total in 2023. It is from 2024.



The Top 5 consumer sites are as follows:

Top 5 Energy in MWh	2024	Proportion
Bologne	48,183	12%
Delle	25,607	6%
Kierspe	23,606	6%
Torrance	21,073	5%
Grandvillars	20,053	5%
TOTAL TOP 5	138,523	33%
TOTAL LISI	415,691	100%

Top 5 Electricity in MWh	2024	Proportion
Bologne	27,216	10%
Torrance	15,429	5%
Big Lake	14,033	5%
Villefranche de Rouergue	13,971	5%
Beyssac	13,848	5%
TOTAL TOP 5	84,497	30%
TOTAL LISI	284,175	100%

Top 5 Natural gas in MWh	2024	Proportion
Bologne	20,482	16%
Delle	16,419	13%
Grandvillars	14,559	11%
Kierspe	14,159	11%
Bar sur Aube	13,785	11%
TOTAL TOP 5	79,404	63%
TOTAL LISI	127,009	100%

The 2 main energies consumed were electricity (68.4%) and natural gas (30,6%). They are mainly used for:

- the manufacturing process, with variability linked to the load on the production sites,
- heating, whose consumption will vary according to climatic conditions.

The most consuming processes are Surface Treatment and Heat Treatment. Local actions are carried out to optimize them. For example, the recovery of waste heat or the insulation of furnaces are increasingly practiced.

Action plan No. 1 – Encourage energy savings at site level

Since 2023, the Group has monitored the energy savings achieved through energy efficiency projects.

The target set for 2024 was to achieve through projects the equivalent of 1.8% of energy consumption in 2023. The target was achieved with 7,237 MWh avoided, i.e. 1.8% of consumption for 2023.

Note: energy savings are calculated based on technical data associated with the project, on the basis of theoretical consumption avoided over 12 months.

Among the 30 projects implemented in 2024, the following actions can be noted:

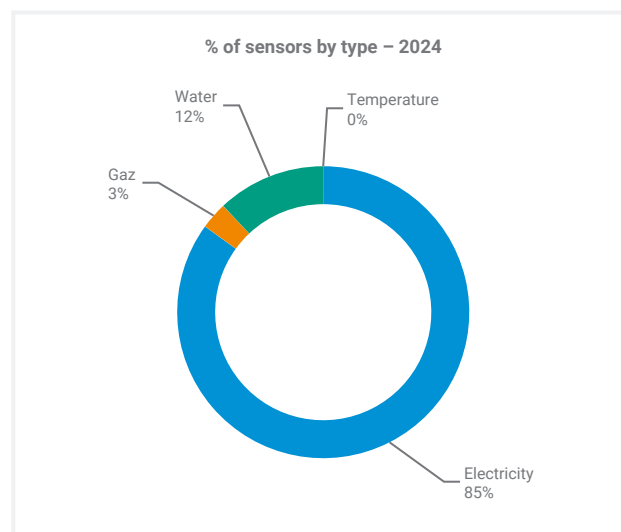
- Optimization of the management of forge furnaces in Bologne (France): 2,361 MWh saved,
- Optimization of heating and installation of an HVAC in Dasle: 1,107 MWh saved,
- Installation of compressors with heat recovery in Heidelberg and Hérouville: 1,316 MWh saved,
- Shutdown and replacement of certain air conditioning systems in Monterrey: 772 MWh saved,
- Intelligent management of buildings thanks to the installation of sensors and connected meters (Ayguemorte-les-Graves, Bologne, Chaumont, Delle, etc.)

On this last point, 14 sites have started to install connected sensors and meters. No less than 1,250 sensors were deployed, mainly for electricity (85%).

Actions of a more behavioral nature complement energy consumption reduction projects, for example:

- lowering the set temperature in workshops and offices,
- postponing production, if possible, on days of high stress on the electrical system,
- charging electric forklifts at night, outside peak periods of consumption,
- the implementation of energy rounds,
- the installation of leakage systems on compressed air networks.

These actions help to raise staff awareness of small gestures on the principle “small streams make great rivers”.



Action plan No. 2 – develop renewable energies

Renewable energy production

LISI is proud to have commissioned 5 solar power units in 5 different countries in less than 18 months.

On the attached photo, the latest project, in Tangier (Morocco):

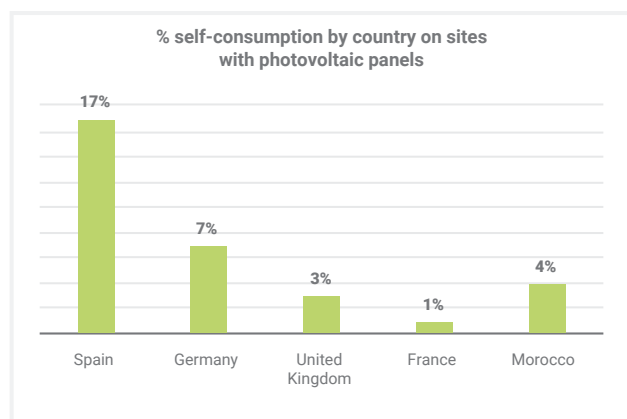
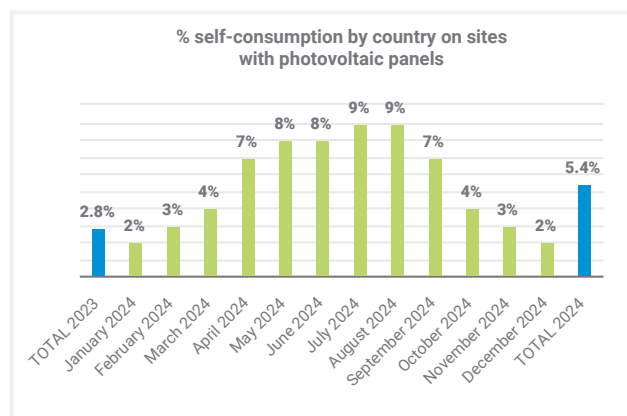


In 2024, 0.71% of our electricity was self-generated from renewable energies. The average self-generation rate is 5.4% but with strong seasonality (see graph below) and major disparities between sites (surface area, sunshine, etc.).

The highest rate of self-generation of electricity was achieved by Fuenlabrada in July 2024 with 28%.

This self-consumed renewable energy production avoided the generation of 451 tCO₂, i.e. 1.25 times more than in 2023.

The following five sites have commissioned photovoltaic panel installations:



- Fuenlabrada (Spain): 1,025 MWh, or 5.5% of its total energy consumption and 16.9% of its electricity consumption. Facility commissioned in April 2023.
- Mellrichstadt (Germany): 680 MWh, or 6.5% of its total energy consumption and 6.7% of its electricity consumption. Facility commissioned in July 2023.
- Rugby (United Kingdom): 200 MWh, or 2.5% of its total energy consumption and 2.6% of its electricity consumption. Facility commissioned in August 2023.
- St-Ouen-l'Aumône (France): 147 MWh, or 1% of its total energy consumption and 1.1% of its electricity consumption. Facility commissioned in July 2024.
- Tangier (Morocco): 200 MWh, or 4.4% of its total energy consumption and 4.4% of its electricity consumption. Facility commissioned in September 2024.

Other projects were launched in 2024 and will be implemented in 2025 in order to continue the trajectory initiated three years ago.

Renewable energy consumption

LISI recorded 7,337 MWh of renewable energy consumption at the Dorval (Canada) site, i.e. 100% of its electricity consumption and 89.6% of its total energy consumption. Indeed, the electricity consumed by the site is 100% of hydroelectric origin via Hydro-Québec.

It should be noted that the LISI Group has not developed or implemented a carbon storage or carbon credit buyback project.

2.5.2.2 - Scope 3

Most of the Group's GHG emissions come from upstream Scope 3.

Although the LISI Group has limited control over upstream Scope 3 greenhouse gas (GHG) emissions, it has nevertheless undertaken several actions to reduce its environmental impact.

Purchase of goods and services:

With regard to raw materials, LISI has put in place initiatives to select suppliers that are more respectful of the environment and to favor recycled materials or materials with a low carbon footprint.

The example of the XCarb contract signed with Arcelor is a good example (details can be consulted in section 4.4).

Freight:

For freight, the Group has optimized its logistics chains by promoting less polluting modes of transport and improving travel efficiency to reduce emissions.

Two examples of initiatives with VECATEL and CLASQUIN can be consulted in section 4.4.

Capital expenditure:

In terms of CAPEX (capital expenditure), LISI has invested in more sustainable equipment and technologies, making it possible to reduce the energy consumption and emissions associated with its activities.

For example:

- the replacement of compressors (Beyssac, Delle, Kierspe, Shanghai)
- the purchase of heat pumps (Neyron)
- the installation of electric vehicle charging stations (Neyron, Hérouville)

These actions demonstrate LISI's commitment to integrating sustainable practices throughout its value chain, despite the inherent challenges in managing upstream scope 3 emissions.

By adopting a proactive approach and working closely with its partners, LISI strives to contribute to the fight against climate change and promote a more responsible industry.

Chapter 4.5.3 presents our environmental investment policy.

2.5.3 Carbon Assessment - Greenhouse gas emissions

Details of the acronyms used in this section:

- GHG = Greenhouse Gas
- SBTi = Science Based target Initiative
- GHG Protocol = Greenhouse Gas Protocol
- CAPEX = Capital expenditures
- OPEX = Operating expenses

2.5.3.1 - Methodology

LISI, as a responsible company committed to environmental sustainability, uses the Greenhouse Gas Protocol (GHG Protocol) methodology to measure its greenhouse gas emissions. The GHG Protocol is an internationally recognized standard that provides a comprehensive framework for the quantification and management of greenhouse gas emissions. By adopting this methodology, LISI ensures that its measurement and reporting practices comply with global best practices and regulatory requirements.

This approach enables LISI to accurately monitor its direct and indirect emissions, from production to the supply chain. Using the GHG Protocol, LISI can identify the main sources of emissions, assess the environmental impacts of its operations and implement effective strategies to reduce its carbon footprint.

- **Scope 1:** Scope 1 data is collected monthly for energy consumption data and annually for vehicles and refrigerant emissions. The data collected is physical data. As regards energy, these are meter readings or consumption readings on invoices. As regards emission factors, the source of emission factors for Scope 1 is ADEME for all LISI sites.

In summary:

- Type of data: physical data
- Frequency: monthly reporting
- Emission factors: those of the ADEME footprint database
- Data quality: very good.

- **Scope 2:** Scope 2 data is collected monthly. These are physical data from meter readings, remote readings or consumption on invoices. There are two types of emission factors:

- "Location based": these are the emission factors available on the ADEME footprint database for all countries where LISI sites are located or identical government databases when they are available for other countries.

- "Market based":

- Supplier data is preferred (available for Germany from Fortas, Canada from Hydro-Québec, Poland from PGE).
- For France, the ADEME emission factor was used.
- For the United Kingdom, the factor provided by the government was taken into account.
- For the other European sites, factors from the EEA were taken into account.

- In the United States, local network data is made available by the EPA federal environmental agencies.
- For the other countries, ADEME data was used.

In summary:

- Type of data: physical data
- Frequency: monthly reporting
- Emission factors: those of the footprint databases of the countries concerned or the EEA or ADEME
- Data quality: very good.

- **Scope 3:** In 2024, the majority of Scope 3 data were collected on a quarterly or annual basis.

■ Raw materials :

- Type of data: physical data that has been collected (tonnages of raw materials purchased).
- Frequency: annual reporting
- Emission factors: provided by suppliers in most cases. When they were not available, ADEME's generic emission factors were considered.
- Data quality: good.

■ Waste:

- Type of data: physical data (tonnages of waste emitted).
- Frequency: monthly reporting
- Emission factors: those of the ADEME footprint database for waste treatment.
- Data quality: good.

■ Business travel:

- Type of data: physical data
- Frequency: annual reporting
- Emission factors: emissions were recovered directly from travel agencies and car rental agencies
- Data quality: very good.

■ Commuting:

- Type of data: an estimate of the distances traveled by the Group's employees was used to calculate the emissions relating to this item.
- Frequency: annual reporting
- Emission factors: those of the ADEME footprint database in terms of the average vehicle engines.
- Data quality: average.

■ **Other purchases of goods and services, investments, transport:**

- Type of data: monetary data
- Frequency: annual reporting
- Emission factors: those of the ADEME footprint database.
- Data quality: low.

The recovery of data attributed to LISI purchases is an ongoing process from suppliers. In particular, suppliers of chemical, oil and transport products are beginning to provide the emissions relating to the products and services purchased by LISI, often later in the year. As a result, their inclusion in the publication of the URD cannot be done in time.

Concerning downstream Scope 3, it is considered difficult to estimate (even negligible compared to upstream Scopes 1 - 2 - 3) for the following reasons:

- The life of the products is very long. This corresponds to the life of the aircraft (30 years), the vehicle (on average between 10 and 15 years) and the patient.
- Intermediate products can be used by 2 to 5 customers before the end of their life.
- The parts manufactured by LISI only constitute a very low weight of our customers' vehicles and aircraft, and have no impact in the context of the MEDICAL division. In addition, almost all parts can be recycled.
- Their use via assembly consumes very little energy (a few screwdrivers and robots) on the assembly lines.

2.5.3.2 - Greenhouse Gas Emissions and Evolution

2.5.3.2.1 - Greenhouse gas emissions

The carbon footprint is 621,708 tons of CO₂.

This corresponds to the consumption of a city of 124,000 inhabitants in France or a city of 37,500 inhabitants in the United States.

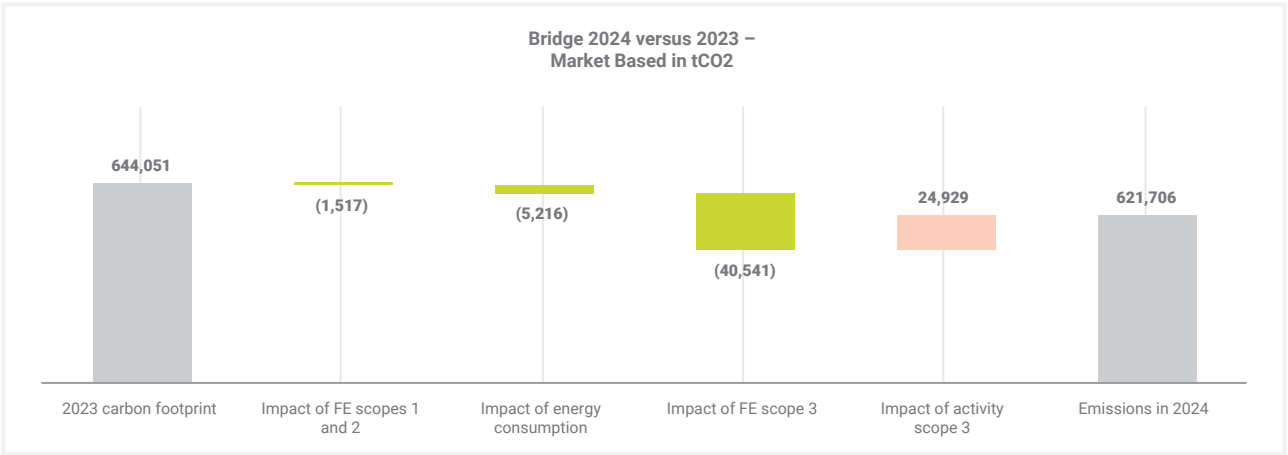
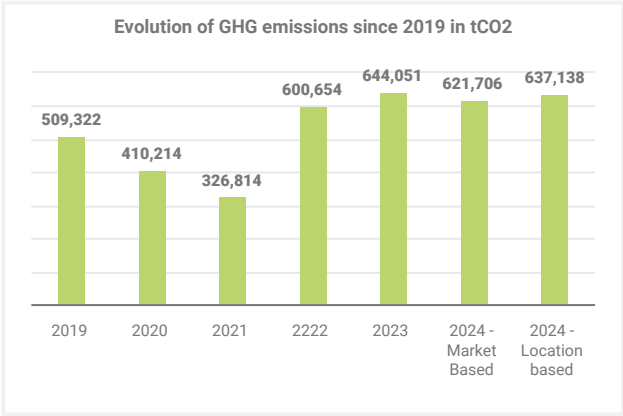
- GHG = Greenhouse Gas

Greenhouse gas emissions

Carbon footprint in tCO ₂	2019 - Baseline year	2021	2022	2023	2024 Market based	Change vs 2023	Change vs 2019 - Baseline year	Factors Impact	Real Consum ptions Impact	Total Impact	2024 Location based
Scope 1	40,990	35,799	28,201	26,868	26,032	(3)%	(36)%	(44)	248	(836)	26,032
Scope 2	65,542	64,424	42,162	46,387	41,781	(10)%	(36)%	(3,882)	(507)	(4,606)	57,213
Scope 1 + 2 Total	106,532	100,223	70,363	73,255	67,813	(7)%	(36)%	(3,926)	(258)	(5,443)	83,244
Scope 3	402,790	226,591	530,291	570,796	553,893	(3)%	38 %	(38,131)	18,122	(16,903)	553,893
GHG emissions	509,322	326,814	600,654	644,051	621,706	(3)%	22 %	(42,057)	17,864	(22,345)	637,138
Partial Scope 1 + 2 + 3 – historical comparable	509,322	326,812	291,487	321,410	312,248	(3)%	(39)%	NA	NA	NA	327,678
Partial Scope 3 – historical comparable	402,790	226,591	203,906	233,615	228,071	(2)%	(43)%	NA	NA	NA	228,071

Between 2023 and 2024, greenhouse gas emissions were reduced by 22,345 tCO₂ (i.e. -3%). This variation is explained by:

- an improvement in emission factors
 - of electricity in the countries where LISI operates (-1,517 tCO₂)
 - items associated with Scope 3, due to better recovery of supplier data (-40,541 tCO₂)
- a decrease in consumption, which is the result, among other things, of energy sobriety actions and renewable energy development plans (-5,216 tCO₂)
- an increase in activity that negatively impacts emissions (+24,929 tCO₂)



■ Increase ■ Decrease ■ Total

It should be noted that Scopes 1 + 2 GHG emissions are on a downward trajectory for the 4th consecutive year since 2021.

Greenhouse gas emissions - detail by item

Scope	Indicators	2019 - Baseline year	2021	2022	2023	2024
Scope 1	GHG Natural Gas [tCO ₂]	37,174	32,590	23,625	22,489	22,941
	GHG Domestic heating fuel [tCO ₂]	460	212	205	199	197
	GHG LPG [tCO ₂]	1,206	1,372	1,090	865	664
	GHG Vehicles owned [tCO ₂]	621	287	304	283	196
	GHG Private vehicles under lease [tCO ₂]	2	2	1,691	1,691	852
	GHG Fugitive emissions from refrigerants [tCO ₂]	1,527	1,335	1,286	1,341	1,182
	Sum GHG Scope 1 [tCO ₂]	40,990	35,799	28,201	26,868	26,032
Scope 2 Market based	GHG Electricity [tCO ₂]	65,542	64,424	42,015	46,274	41,637
	GHG Heating network [tCO ₂]	–	–	147	113	144
	Sum GHG Scope 2 [tCO ₂]	65,542	64,424	42,162	46,387	41,781
1+2	TOTAL GHG SCOPES 1 & 2 [tCO₂]	106,533	100,223	70,363	73,255	67,812
Scope 3 Amont	Purchases of goods and services (other than raw materials) [tCO ₂]			183,201	213,205	196,020
	Consumption of raw materials [tCO ₂]	390,912	216,932	189,054	218,114	212,413
	Investments [tCO ₂]			80,212	66,329	71,146
	Fuel and energy-related activities (not included in Scope 1 or 2)	Included in Scopes 1 and 2		17,218	16,225	16,363
	Upstream transport [tCO ₂]	11,878	9,659	14,852	15,501	15,658
	Waste generated by operations [tCO ₂]			31,395	30,301	30,475
	Business travel [tCO ₂]			564	717	489
	Commuting [tCO ₂]			13,795	10,403	11,330
	Upstream leased assets [tCO ₂]			–	–	–
	Sum GHG Scope 3 [tCO ₂]	402,790	226,591	530,291	570,796	553,893
TOTAL	TOTAL GHG SCOPES 1, 2 & 3 [tCO₂]	509,323	326,814	600,654	644,051	621,706

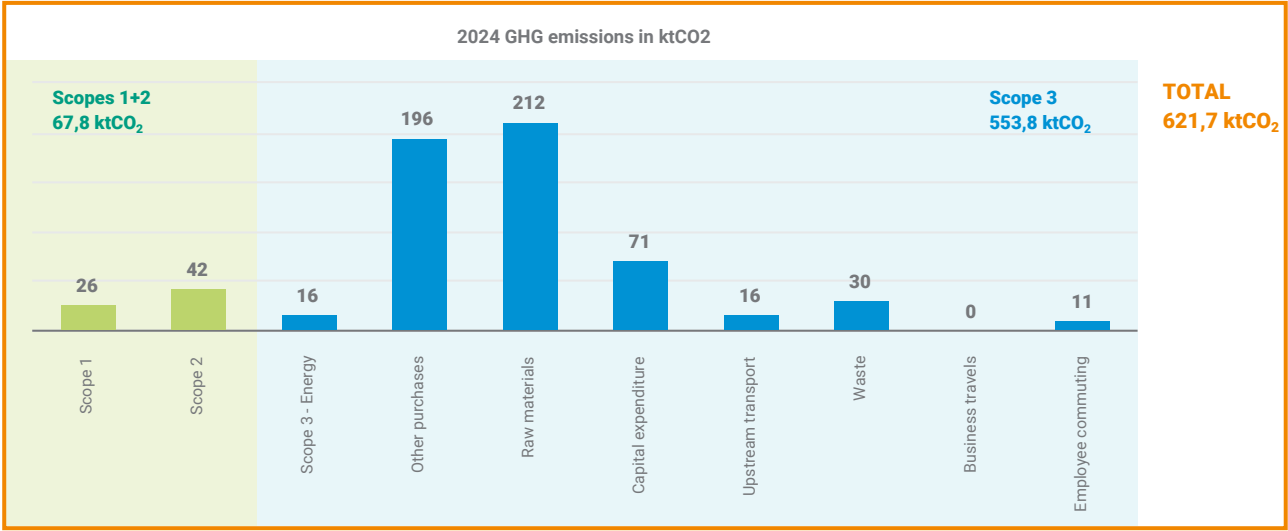
Detailed breakdown of CO₂ emissions by category

The greenhouse gas assessment breaks down into:

- 11% on Scopes 1 + 2
- 89% on Scope 3 alone.

Within Scope 3, the three major items in proportion to the total emissions of the Group's balance sheet are:

- 34% related to the purchase of raw materials weighing 212,413 metric tons of CO₂,
- 32% related to the purchase of goods and services (other than raw materials) representing 196,020 metric tons of CO₂,
- 11% related to investments with 71,146 metric tons of CO₂,

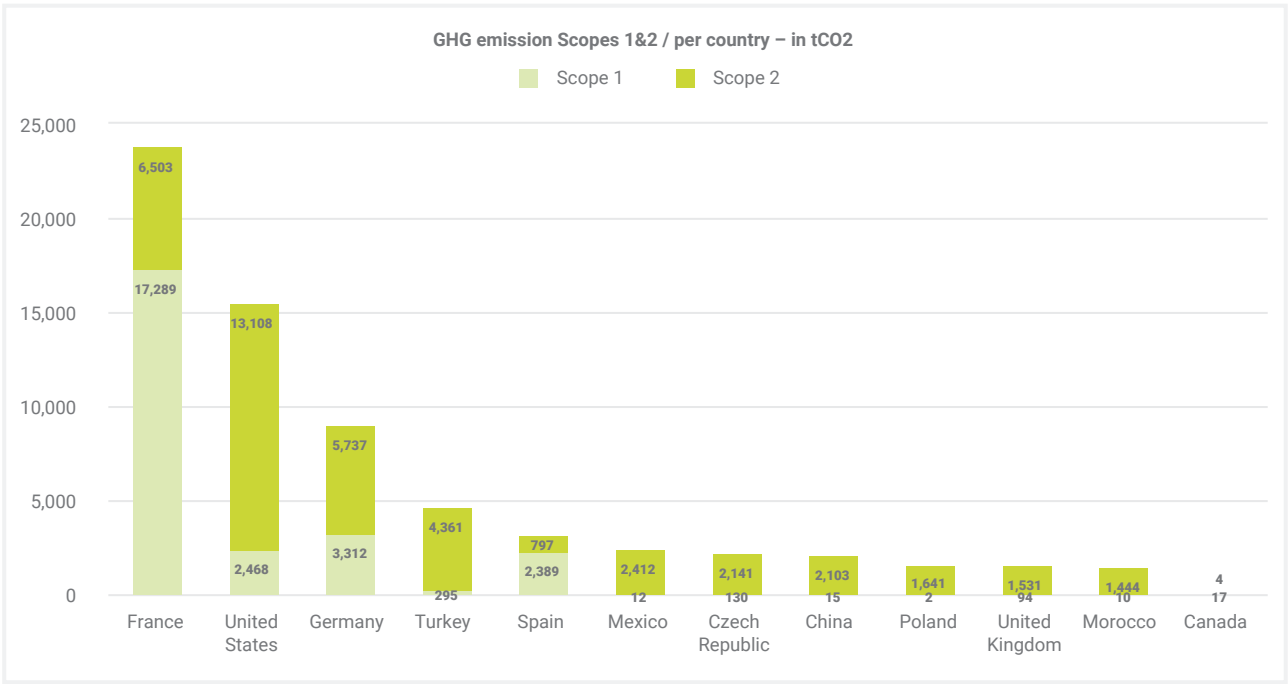


Geographical breakdown of GHG emissions

The breakdown of CO₂ emissions by country is as follows:

The LISI Group has more than half of its sites in France. The graph opposite shows the influence of France's lower emission factor for electricity compared to other countries.

It is important to underline the negligible impact of Canada, which is powered almost exclusively by renewable energies (hydroelectricity and green gas).

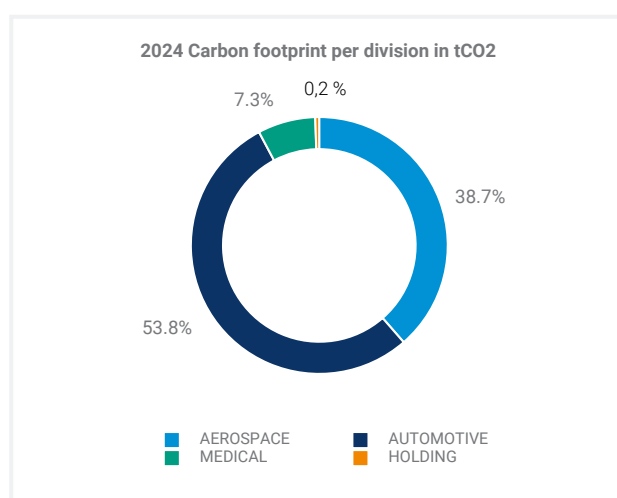
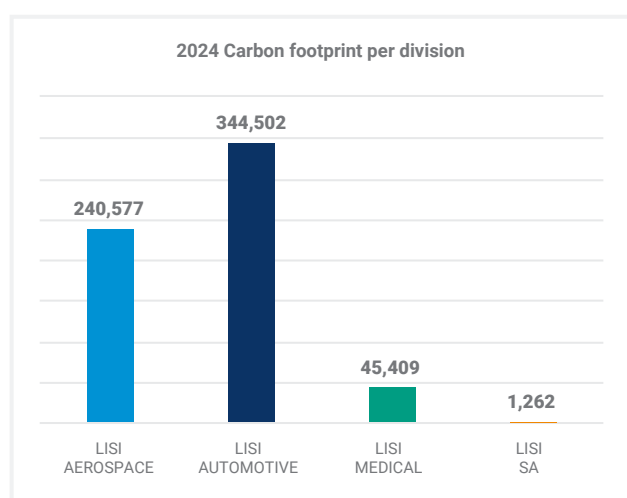


Breakdown of GHG emissions by division

By Division, the carbon footprint for 2024 was as follows:

Carbon footprint per Division in tCO ₂	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	LISI HOLDING	TOTAL
Scope 1	10,138	15,295	508	91	26,032
Scope 2	17,173	18,629	5,979	2	41,781
Scope 3	213,266	300,578	38,922	1,169	553,893
TOTAL	240,577	334,502	45,409	1,262	621,706
Proportion	38.7 %	53.8 %	7.3 %	0.2 %	

It should be noted that total emissions take into account the financial eliminations between the divisions and the group (i.e. 42 tCO₂) due to the use of financial emission factors.



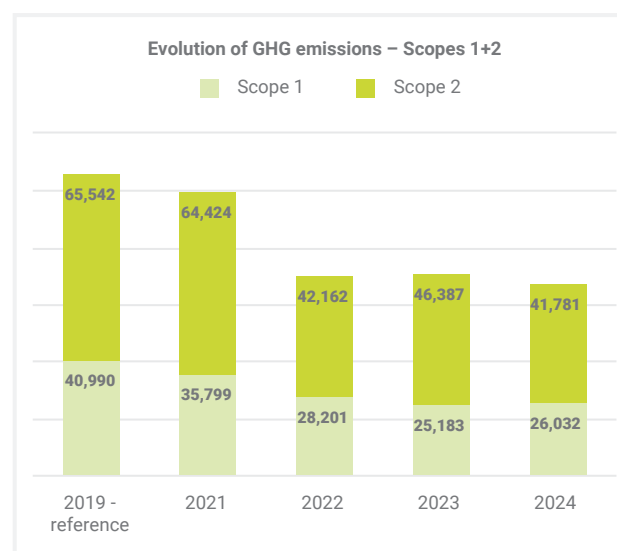
Greenhouse gas emissions come mainly from the AUTOMOTIVE division (54%). Due to the quantity of parts produced, this division purchases a greater quantity of raw materials than the other two divisions. In particular,

- The AUTOMOTIVE division's raw materials alone represent 142 ktCO₂ i.e. 23% of the Group's emissions
- The AUTOMOTIVE division consumes more natural gas due to heat treatment.

2.5.3.2.2 - Change in Greenhouse gas emissions

Change compared to 2023:

- Scopes 1+2:
Although the activity increased by 9%, emissions associated with Scopes 1 & 2 decreased by 7% compared to 2023. Two factors explain this improvement:
- On the one hand, we are seeing an improvement in energy emission factors, reflecting the investments made by energy companies in renewable energies.
- In addition, we have launched mitigation action plans that are producing results.



The increase in activity was more than offset, demonstrating the relevance of our mitigation action plans. This is mainly due to:

- energy sobriety action plans,
- renewable energy projects that were rolled out in 2023 and 2024,
- investments aimed at reducing the energy consumption of the sites.

These projects and actions are described in more detail in section 2.5.2.

■ Scope 3:

At constant emission factors, Scope 3 emissions decreased by 3%. The highlights are as follows:

- Increase in purchases of goods and services in line with the increase in activity,
- Refined emission factor for oils and fats,
- Increase in capital expenditure amounts,
- Decrease in business travel,
- The other items are equivalent between 2023 and 2024.

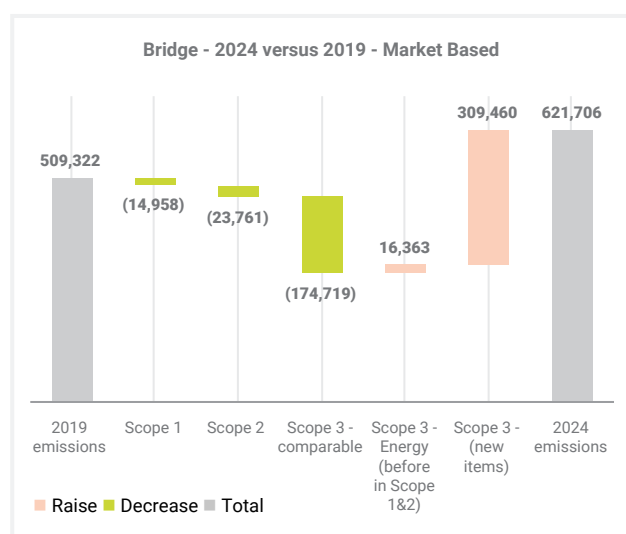
Evolution compared to the 2019 reference year

■ Scopes 1 & 2 :

Our emissions decreased by 36% compared to 2019, i.e. a reduction of 38,718 metric tons of CO₂ (including 21,306 tCO₂ which was counted in scopes 1 & 2 in 2019).

On Scope 1, the reduction is 36%. This decrease is mainly due to the following actions:

- Investments in energy efficiency (heat recovery from processes to avoid heating buildings, for example).
- Organizational measures aiming to limit the heating of buildings (lowering the setpoint temperature, smart building management, for example).
- Better characterization of emission factors.



In the end, at constant factors, greenhouse gas emissions increased by 3% compared to 2023. This performance is significant considering that the activity was up by 9%. The LISI Group has therefore managed to offset almost all of the growth effects through its actions and investments (detailed in the following paragraphs by topic).

Impact of emission factors:

The updates of the emission factors contributed to improving the GHG balance by 42,057 tons of CO₂.

The emission factors that varied the most were in Scope 2 - Market Based:

- France: the emission factor increased by 16.6%, due to purchases of more carbon-intensive energy outside the country (consequences of geopolitical contexts).
- Germany: our supplier FORTAS had a more carbon-intensive energy mix.
- United Kingdom and Poland: new emission factors from government sources in these countries were taken into account.
- Czech Republic: the country's emission factor has improved.

On Scope 2, the reduction is 36%. This decrease is mainly due to the following actions:

- Investments for better energy efficiency in buildings: some sites have continued to switch from lighting to LED systems.
- Investment in improved process efficiency: many sites have replaced their compressors with new-generation equipment that are more efficient and more adapted to the uncertainties of production.
- Investments in photovoltaic panels dedicated to self-consumption on three sites.
- Agreement on the consumption of energy from renewable sources in Canada, associated with a conversion of natural gas to biogas (Scopes 1 and 2).
- Better characterization of emission factors

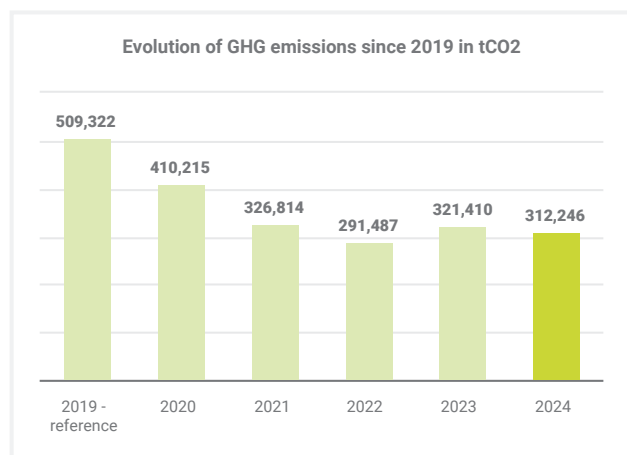
■ Scope 3 :

The 2019 and 2023 scopes are not comparable.

LISI has made considerable progress in collecting Scope 3 data and its data quality. The difference in scope is significant and represents 330,768 tons of CO₂ (in 2019) and mainly comes from the following items:

- purchases of goods and services (other than raw materials),
- capital expenditures,
- production of waste,
- business travel and commuting.

On a comparable scope, the change in Scope 3 of -43% compared to 2019.



2.5.4 Outlook and improvement plans

In 2024, the LISI Group achieved its targets and remains on the 2030 trajectory defined in 2019, i.e. a reduction of 30% in greenhouse gas emissions compared to 2019 on the partial scopes 1, 2, 3 (raw materials and transport).

However, the prospects for significant growth in the aeronautics sector in particular suggest that emissions may increase over the coming years (capacity investments to support growth, energy consumption, purchases of goods and services including raw materials, etc.). We therefore remain cautious about the actual achievement of the target by the end of 2030.

In 2024, we wanted to study the possibilities of aligning our objectives with the Paris Agreements (limiting global warming to 1.5°C) and the feasibility of achieving SBTi-compliant targets (Science Based Target Initiative).

With the help of a consultant (R3 Groupe), we carried out work to:

- **identify** 52 families of decarbonization actions that we have applied to our sites or issues
- **assess** their impacts in three areas:
 - carbon impact (in tons of CO₂),
 - investment impact (CAPEX in € million)
 - operating costs impact (OPEX in € million)

Three scenarios for the evolution of LISI's GHG emissions have been created and include the expected growth in activity. These three scenarios are valued in:

- Financial impact (CAPEX and OPEX in € million)
- Carbon impact (in tons of CO₂)

Total of 3 scopes on a historically comparable basis: in total, greenhouse gas emissions are **down by -39%** on historically comparable scopes between 2023 and 2019 (reference year of the Group's targets).

These emissions are subject to non-material changes in scope.

The three scenarios are:

- **LOW scenario:** it consists of taking into consideration only known and planned decarbonization projects.
- **MEDIUM scenario:** in addition to the LOW scenario, additional projects identified but not yet approved and not planned.
- **HIGH scenario:** in addition to the projects of the MEDIUM scenario, it consists of taking into account the cross-functional nature of the projects identified on all of the Group's sites or higher levels of target achievement.

On the basis of these proposed scenarios, we presented the results to the Executive Committee and the Board of Directors of LISI through the CSR Committee to collect the opinions and approval of the trajectories that the LISI Group could adopt.

These consultations resulted in a median scenario between the MEDIUM and HIGH scenarios. This scenario was named the **LISI balanced scenario**.

It should be noted that the HIGH scenario consists of actions identified but not approved and to be implemented across all sites.

It is also based on a significant share of actions with our raw material suppliers without which we would not be able to achieve the Scope 3 target. These suppliers of raw materials (titanium, steel, aluminum, etc.) are generally large non-European groups and our ability to change their guidelines for the decarbonization of their own activities is limited.

In addition, the financial investments (CAPEX and OPEX) represented by this HIGH scenario would put our financial balance under severe pressure and would deprive us of any flexibility to seize other investment opportunities.

The simulation of these trajectories showed that:

- none of the scenarios would meet the expectations of the SBTi (Science Based Target Initiative) on the 3 scopes,
- however, the LISI balanced scenario makes it possible to achieve SBTi expectations on Scopes 1 and 2
- only the HIGH scenario would make it possible to achieve LISI targets, i.e. -30% in greenhouse gas emissions compared to 2019 on Scopes 1, 2 and Partial 3.

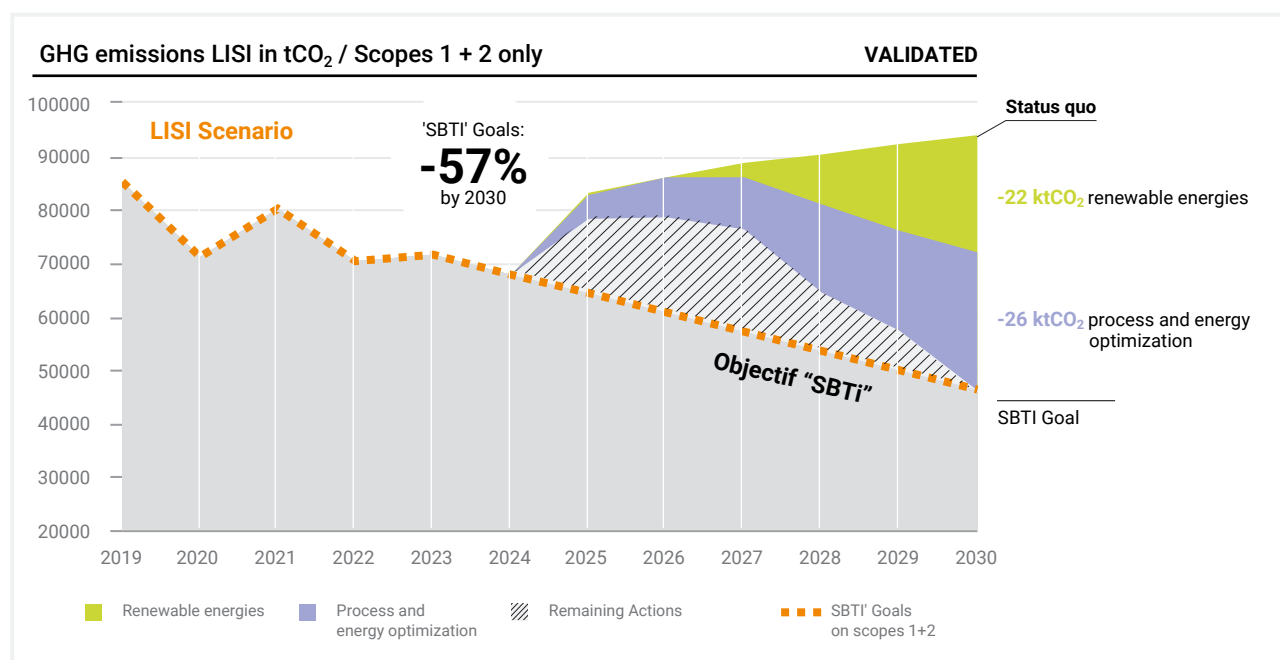
For these reasons LISI's Board of Directors pragmatically recommended:

- to target a LISI balanced scenario on Scopes 1 and 2
- not to seek SBTi certification,
- to keep as a strategic compass the trajectory closest to the Paris Agreements (SBTi)
- to maintain flexibility on our financial resources so as not to penalize the Group's ability to seize other strategic opportunities.

GRAPHIC REPRESENTATIONS OF TRAJECTORIES

2030 trajectory on Scopes 1 + 2 alone

- The **LISI balanced scenario** achieves SBTi expectations on Scopes 1 and 2, with a decrease in emissions of around 57%, broken down as follows:
 - 54% related to energy efficiency and process optimizations,
 - 46% to renewable energy projects

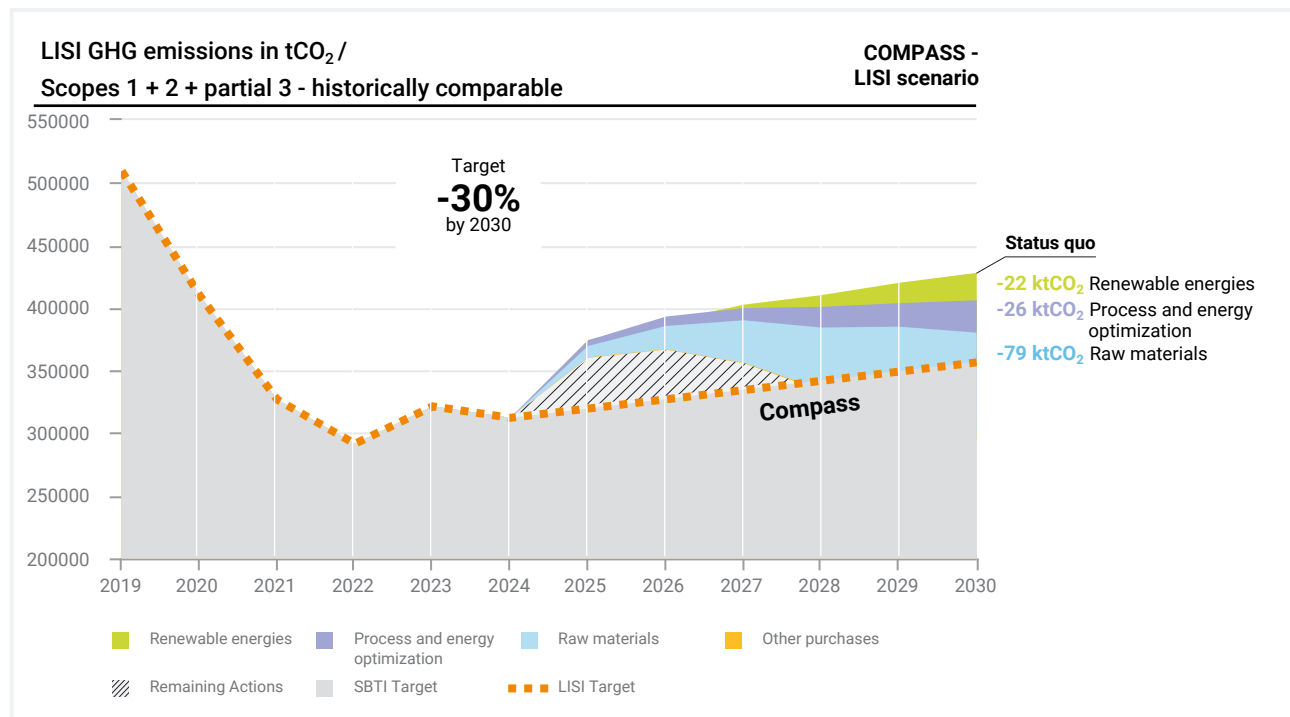


2030 trajectory on Scopes 1 + 2 + partial 3 - OUR COMPASS

- The LISI scenario makes it possible to achieve our reduction targets of 30% on scopes 1, 2 and partial 3, corresponding to our historical commitments made in 2019. These decreases break down as follows:
 - 62% linked to actions on raw materials with a key impact on Scope 3
 - 21% related to energy efficiency and process optimizations
 - 17% for renewable energy projects.

As explained above, this scenario is not the one that was validated due to the financial constraint it places on the Group and the limited room for maneuver related to non-European raw material suppliers.

But, this scenario remains our compass.



2030 trajectory on Scopes 1 + 2 + 3 compared to SBTi expectations

For transparency purposes, we have exercised the impact of a trajectory that would aim to comply with the Paris Agreements (SBTi objectives to limit the increase in the planet's temperature to +1.5°C). We share the results here, although this trajectory has not been adopted.

The **LISI balanced scenario** made it possible to achieve a reduction of 18% in greenhouse gas emissions compared to our 2019 reference year as follows:

- 72.3% from actions identified and included in the strategic plan representing 132.8 kt of CO₂
 - 22 ktCO₂ related to renewable energies,
 - 26 ktCO₂ related to energy efficiency and process optimization actions,

- 79 ktCO₂ related to actions on raw materials,
- 6 ktCO₂ related to actions on other purchases.

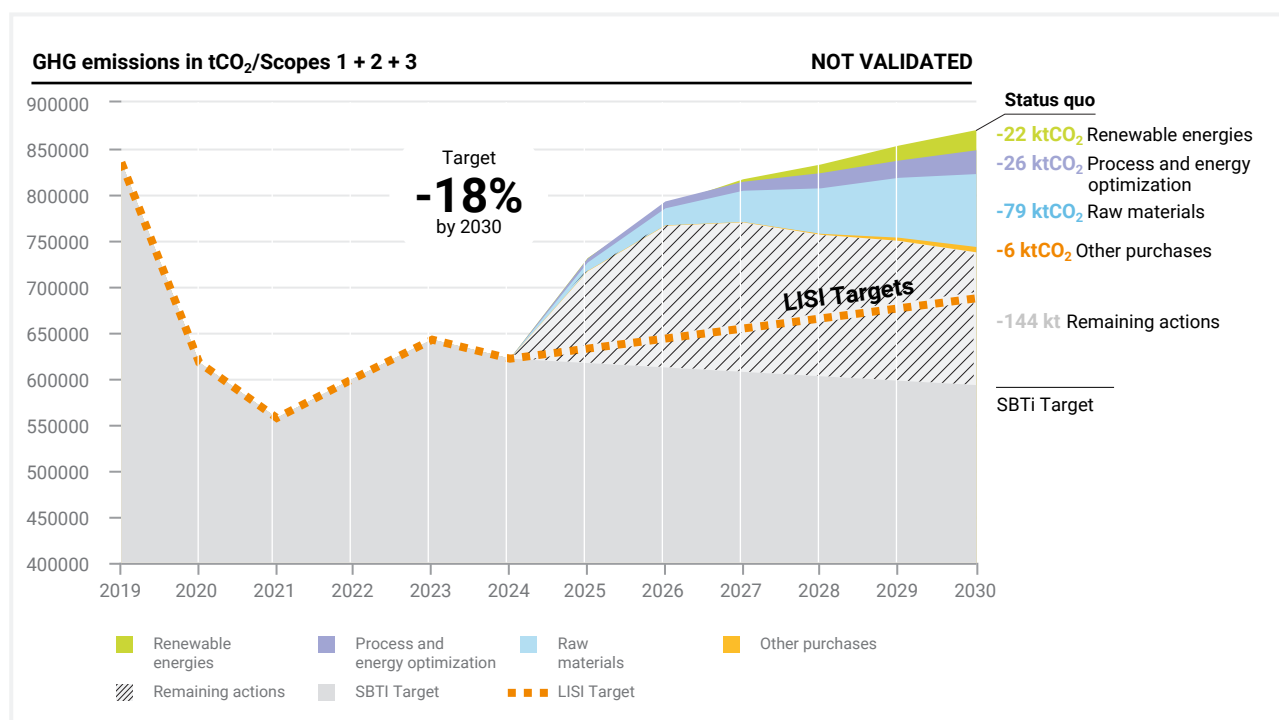
- 27.7% from unidentified actions not included in the strategic plan representing 49.9 ktCO₂

To achieve the SBTi targets, an additional 94.3 ktCO₂ would have to be identified, that we were unable to assess.

In short, the success of this trajectory would depend on:

- 29% on actions related to raw materials. We depend on our suppliers, who are mainly non-European, and on their approach to climate issues,
- 52% of unidentified actions

This is why LISI has not committed to achieving the SBTi targets, although they remain a long-term challenge.



Summary table of trajectories in terms of impact and financial cost

The approach, the scenarios as well as the beneficial and financial impacts were shared with LISI's Board of Directors in order to decide on the strategic orientations.

	2019	2024	2030	2030	2030	2030
In tons of CO ₂	Ref. year	Actual	HIGH Scenario	LISI Scenario	SBTi Target Achieved	LISI Compass - Historical Basis
Scope 1 + 2 emissions	106,532	67,813	46,313	46,313	46,313	46,313
Scope 1 + 2 + partial 3 emissions - historically comparable	509,322	312,246	Not applicable	Not applicable	Not applicable	356,525
Scope 1 + 2 + 3 emissions	835,000	621,706	678,778	737,247	593,000	687,273
Capex over 5 years			40 - 50 M€	30 - 40 M€	Not achievable	Achievable if
Opex over 5 years			30 - 40 M€	20 - 30 M€	on all 3 scopes	HIGH scenario

It was decided to set our decarbonization ambitions at 2030 on the reduction of 57% in greenhouse gas emissions on Scopes 1 & 2 alone compared to 2019, in accordance with the SBTi.

2.6 PLANET - Resource inflows and resource use (ESRS E5)

2.6.1 Resource optimization actions

2.6.1.1 - Use of raw materials

At LISI Group, we are committed to optimizing the use of our raw materials through our various production processes, including hot forging, cold forging and plastic injection. These methods are carefully chosen and continuously improved to ensure optimal use of resources.

Hot forging makes it possible to work metals at high temperatures, which makes the material more malleable and reduces material loss. This process is particularly effective in producing complex parts with high precision, thus minimizing waste. Indeed, as it involves a deformation of the material, the process as such reduces deburring losses.

Cold forging, uses metals at room temperature, which preserves the material's mechanical properties while reducing energy consumption. This process is ideal for the large-scale production of standardized parts, ensuring efficient use of raw materials. Like hot forging, it is a process of deformation of the material which optimizes the use of the raw material as much as possible.

Plastic injection is a process that makes it possible to produce plastic parts with high precision and a minimum of waste. Waste mainly comes from core samples. This is a channel or passage that connects the injection unit of the molding machine to the mold cavity. The core allows the molten plastic to enter the molding chamber, where it cools and solidifies into the desired shape. This waste is

recovered, shredded and reinjected into the manufacturing process in the maximum proportions that guarantee the technical characteristics required by customers.

Other processes are used:

- rolling: during this operation, the material is crushed, resulting in no loss of raw material,
- machining, bar turning, milling: carried out only when strictly necessary, the raw material removed by these processes is recovered, sorted and recycled,
- Heat treatment, surface treatment: these processes do not generate any loss of raw material,
- additive manufacturing, a process that also does not generate any waste of raw material because we reuse most of the non-fused powder.

By combining these processes, LISI succeeds in maximizing the efficiency of each manufacturing step, thus reducing waste and minimizing our environmental impact. This sustainable approach allows us not only to preserve natural resources, but also to guarantee high-quality products to our customers.

Regarding the integration of materials from recycling in production, we do not have access to this information from the suppliers of metal raw materials. Most of these data are considered confidential.

2.6.1.2 - Circular economy and waste management

We have implemented efficient recovery systems to collect waste generated throughout our manufacturing processes. This waste is then carefully sorted according to its nature and composition. This sorting step is crucial to ensure that each type of waste is treated appropriately and efficiently. Once sorted, waste is recovered by various means.

Recyclable materials, such as metals and plastics, are sent to specialized recycling channels where they are transformed into new raw materials. We have well-established contracts with service providers that guarantee the recycling and recovery of our so-called "noble" waste.

We also sort other recyclable waste from support processes, such as wood, paper and cardboard. This waste is also sent to appropriate channels for recycling.

In addition, we are constantly exploring new ways to recover non-recyclable waste. Our main goal is for this non-recyclable waste to be sent to the regulatory channels by seeking their recovery as much as possible. For example, some waste can be used as an energy source in industrial processes, thus contributing to a circular economy, while others can be used through physico-chemical treatment processes.

Through these initiatives, LISI seeks not only to reduce its environmental footprint, but also to promote a more responsible and sustainable use of resources.

2.6.1.3 - Water management

At LISI Group, we place great importance on the responsible management of all our natural resources, including water. Although water is not an essential raw material in our production processes, we recognize its importance for the environment and the territories in which we operate. Local communities depend on it.

We have implemented stringent measures to optimize the use of water in our facilities. These include water recycling and reuse systems, as well as the most advanced technologies to reduce water consumption in our industrial processes. For

example, we use closed circuits to cool our equipment, which minimizes water loss and maximizes its efficiency, or countercurrent circuits in surface treatment lines.

We regularly monitor our water consumption and constantly look for ways to improve our practices to reduce our water footprint.

This proactive approach allows us not only to comply with environmental regulations, but also to contribute positively to the protection of natural resources, whatever they may be.

2.6.2 Results and analysis

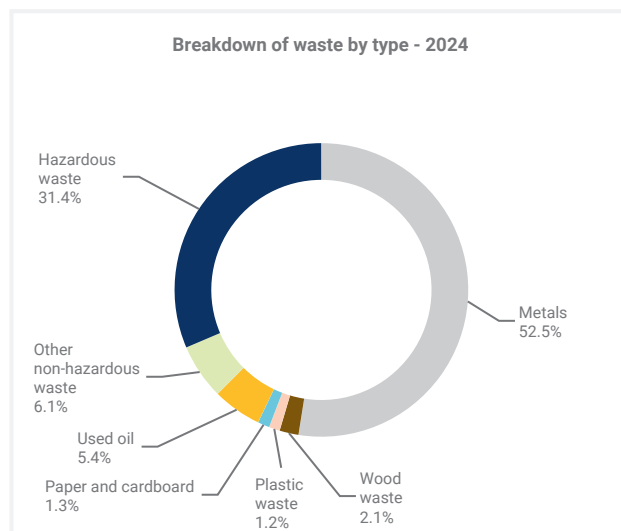
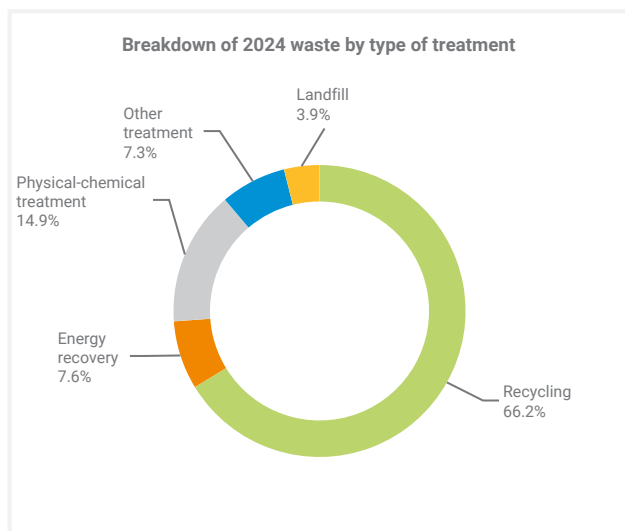
2.6.2.1 - Circular economy and waste management

In 2024, the LISI Group generated 37,513 tons of waste. The production sites principally generate metallic waste (52.5% of the total quantity of waste produced).

This is sold for recycling. The share of recycled waste is 73.8%. It involves material recovery (66.2% of waste) and energy recovery (7.6% of waste).

By division, the recycling rate is as follows:

% of waste recycled	2019	2021	2022	2023	2024
LISI AEROSPACE	nd	46.1 %	46.8 %	45.1 %	46.9 %
LISI AUTOMOTIVE	nd	91.3 %	91.1 %	88.8 %	92.3 %
LISI MEDICAL	nd	71.9 %	60.7 %	77.5 %	54.6 %
LISI TOTAL	72.5 %	74.5 %	75.0 %	73.5 %	73.8 %



Each Group site sorts its waste according to recovery channels and local regulations.

- **Metal waste (52.5%):** sorted by type of material (steel, titanium, aluminum, etc.) with a view to optimizing its recycling by preferred partners.

- **Non-hazardous waste (10.7%):** plastic, wood and paper/cardboard waste are also sorted and recycled according to the local channels available.
- **Hazardous waste (31.4%):** most of this waste comes from surface treatment lines depending on their level of hazard, they can either undergo a physico-chemical treatment, or be sent as final waste to a landfill center.

- **Waste used oil (5.4%):** this waste is classified as hazardous waste or not according to local regulations. These used oils are largely recovered (71% are reused for other uses or regenerated; 10% are recovered for energy).

Waste sorting awareness-raising actions and sorting compliance audits are widely carried out at the Group. Audits are carried out to verify their effectiveness during field routines and internal audits.

The objective is to maintain this level of recovery (> 70%) over the coming years.

2.6.2.2 - Water management

Water is mainly used in the cooling of processes, surface treatment lines and sanitation purposes. In 2024, the LISI Group consumed 537,146 m³ of water, i.e. an increase in

consumption of 12.8% compared to 2023 but down significantly (-32.1%) compared to 2019.

Water consumption [m ³]	2019 - Baseline year	2021	2022	2023	2024	Change vs 2023	Change vs 2019 - Baseline year	Proportion 2024
Municipal water	522,785	308,271	342,900	336,375	384,473	14.3 %	(26.5)%	71.6 %
Water from the natural environment	267,771	205,187	252,289	131,977	141,129	6.9 %	(47.3)%	26.3 %
Rain water				8,039	11,544	43.6 %		2.1 %
Total water consumption [m³]	790,556	513,458	595,189	476,391	537,146	12.8 %	(32.1)%	100.0 %

All divisions have seen an increase in consumption compared to 2023. The total change in consumption between 2023 and 2024 represents 60,755 m³. The variations are explained by:

- **over-consumption:**

- A problem with the regulation of the Bologne water tower that pumps water from the Marne did not make it possible to stop pumping when the water tower was full. As a result of this malfunction, the overflow was returned to the Marne with no impact on the environment.
- Leaks in aging water systems. These leaks are repaired as they are detected.
- The start-up of a new site in Chaumont (France). While waiting for the transfer of the facilities of the Bologne site (France), which is spread over several years, these sites are both operational.
- An increase in activity, particularly in the aeronautics sector, with an impact on the surface treatment activity and sanitary needs.
- The resumption of the surface treatment activity of La Ferté Fresnel.

- **Improvements observed:**

- Leak repairs observed in 2023

- Implementation of water consumption management plans on sites in water-stressed areas.
- The installation of rainwater reserves so as not to over-strain the groundwater reserves.

It is important to note that the annual variations can be partly explained by the detection and repair of water leaks.

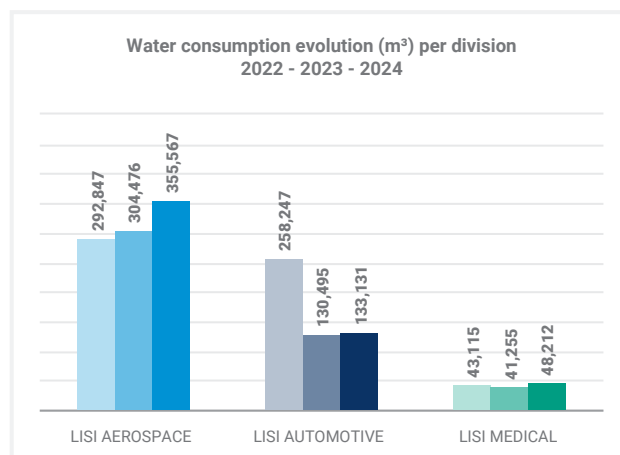
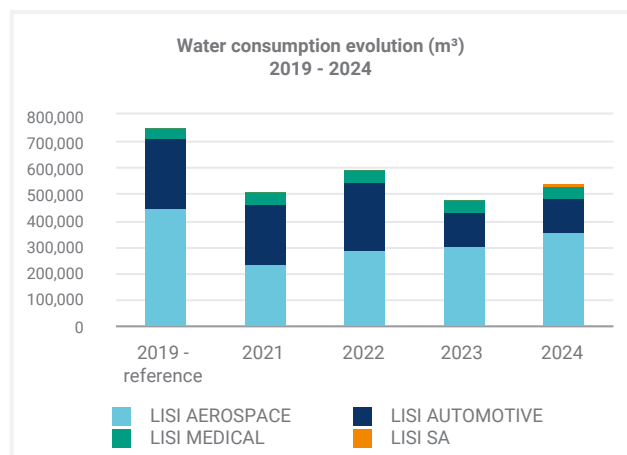
Nevertheless, LISI's long-term actions are showing results. **Indeed, water consumption has improved by 32.1% since 2019.**

Important decisions in favor of the preservation of natural resources are showing results, for example the shutdown of certain water-intensive processes such as the Dreux site.

Changes in the scope of consolidation since 2019 must also be considered:

- **Entries:** Termax, Garden Grove, Livonia in the United States, the Chaumont site in France and Tangier in Morocco (AUTOMOTIVE division site)
- **Deconsolidations:** Argenton sur Creuse, Dreux, St Florent sur Cher in France; Vöhrenbach in Germany; Casablanca in Morocco; Chihuahua in Mexico; Escondido in the United States; Zhuozhou in China.

	2019 - Baseline year	2021	2022	2023	2024	Change vs 2023	Change vs 2019 - Baseline year
LISI AEROSPACE	449,480	232,565	292,847	304,476	355,567	16.8 %	(20.9)%
LISI AUTOMOTIVE	266,501	232,241	258,247	130,495	133,131	2.0 %	(50.0)%
LISI MEDICAL	40,136	42,272	43,115	41,255	48,212	16.9 %	20.1 %
LISI SA	nd	nd	nd	nd	236	nd	nd
LISI	756,117	507,078	594,209	476,226	537,146	12.8 %	(29.0)%



The top five sites that account for 49% of total consumption for the year are those with surface treatment and heat treatment lines. These are the following sites:

Site	2019 - Baseline year	2021	2022	2023	2024	Change vs 2023	Change vs 2019 - Baseline year
Bologne (France)	178,226	88,401	140,527	143,189	160,868	12.3 %	(9.7)%
Izmir (Turkey)	42,310	21,098	27,012	20,204	26,910	33.2 %	(36.4)%
Bar-sur-Aube (France)	17,893	10,358	13,776	17,266	26,488	53.4 %	48.0 %
La-Ferté-Fresnel - Dreux (France)	154,350	137,312	138,877	20,278	26,191	29.2 %	(83.0)%
Dorval (Canada)	109,609	29,820	18,390	22,476	25,320	12.7 %	(76.9)%

The 10 sites in water-stressed areas continued their efforts to limit their consumption. In the long term, these sites anticipate having to deal more frequently with periods of drought, water supply disruptions and administrative orders prohibiting water withdrawals. The action plans are regularly monitored and the consumption of these 10 sites has fallen drastically since 2019 (-53% in five years).

In 2024, 28 actions out of 43 identified were carried out.

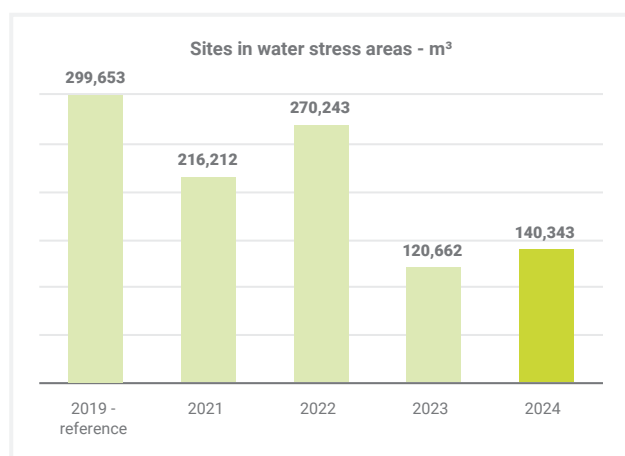
These actions include:

- The implementation of meters and remote readings to detect leaks and drifts as soon as possible (multiple sites),
- Increased reliability of closed cooling circuits, to reduce the need for water from the network in the event of a breakdown (Beyssac)
- Improving the life of surface treatment baths without degrading quality (Carpète),
- The use of "gray water" for cleaning workshops (Carpète),
- The installation of rainwater harvesting (Izmir, Monterrey, Villefranche-de-Rouergue),
- Leak detection (Delle, Monterrey, Torrance)
- Staff awareness raising (multiple sites)

The gains are difficult to quantify due to the variability of activity.

Site in water stress area (m ³)	2019	2021	2022	2023	2024	Change vs 2023	Change vs 2019
Municipal water	159,665	80,621	109,149	78,252	103,985	32.9 %	(34.9)%
Water from the natural environment	139,988	135,591	161,094	39,420	31,441	(20.2)%	(77.5)%
Rain water	—	—	—	3,155	4,917		
TOTAL	299,653	216,212	270,243	120,662	140,343	16.3 %	(53.2)%

Note: the data for 2019 have been modified compared to the last publications because the Marmande site had not been counted.



2.6.3 Outlook and improvement plans

At LISI Group, we are convinced that we have deployed the best techniques currently available to minimize waste generation and optimize waste recovery. Thanks to advanced production processes and rigorous resource management, we have been able to significantly reduce our environmental impact.

We ensure that each type of waste is handled appropriately, maximizing material reuse and minimizing losses.

We are determined to maintain these high standards in the future. To do this, we constantly monitor our practices and look for ways to further improve our processes.

We aim to maintain the level of recyclability over the coming years.

With regard to water resources, the LISI Group is continuing its efforts to limit water demand, particularly on sites that could be facing water stress. The sites that may be affected have rolled out an action plan to reduce their potential exposure to water restrictions. These plans are in place and their deployment is closely monitored by the Divisions and the Group.

2.7 PLANET - Other environmental information

2.7.1 Pollution and environmental nuisances

This issue is not considered material at the end of the double materiality analysis.

The LISI Group's sites are subject to permanent actions, and follow the recommendations of the authorities, some of which are identified as part of the clean-up programs. They record all complaints (whether comments, formal or informal, official, or not) when they are issued by stakeholders.

In 2024, no sites received formal notices from the authorities.

There were nine complaints and official letters received by the Group's entities, and they concerned requests for information from the authorities.

Each complaint or official letter receives a reply, written or otherwise, sent to the party concerned. This is part of the Group's processes and the complaints register is inspected during internal HSE audits.

For example:

- One letter from the authorities in the United States concerning the control of water discharges; appropriate responses were provided to the authorities. The issue was considered “settled” by the authorities.
- One letter from the fire department in the United States concerning the control of hazardous waste storage. The

appropriate responses have been provided. The issue was considered “settled” by the authorities.

- One letter from the city services in the United States for compliance following the construction of a kitchen for the staff. Corrective actions have been carried out. The issue was considered “settled” by the authorities.

2.7.2 Biodiversités et écosystèmes

The information relating to this issue can be consulted in the DNSH of the Green Taxonomy chapter below.

2.8 Information on the European Taxonomy

The European Regulation 2020/852 of June 18, 2020 (“Taxonomy Regulation”), establishes a reference framework aimed at promoting sustainable investments by requiring companies to publish the share of their turnover, investment expenses and operating expenses making a substantial contribution to environmental objectives:

- climate change mitigation;
- climate change adaptation;
- protection and sustainable use of water, and water and marine resources;

- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

This information must be published on an annual basis in the sustainability report and therefore in France, in the management report.

2.8.1 Scope 2024

For the 2024 reporting, unlike 2023, companies must publish the share of their economic activities that are eligible and aligned with the six environmental objectives and no longer only the share of activities just aligned with the climate objectives (climate change mitigation and climate change adaptation).

The turnover, capital expenditure and operating expenses considered for the preparation of this report cover all of the LISI group’s activities on a worldwide scope corresponding to the financial consolidation scope, in accordance with the provisions of the delegated act.

Due to the necessary alignment with IFRS financial ratios, companies in which the Group exercises joint control or significant influence would be excluded from the calculation of the ratios defined by the delegated act of the

Taxonomy Regulation. Consequently, only controlled companies fully consolidated within the Group’s scope of consolidation should be taken into account in the calculation of the turnover, capital expenditure and operating expenses indicators. However, the delegated act provides for the possibility of communicating on additional ratios that would include companies accounted for by the equity method.

It is specified here that the Group has no subsidiaries accounted for using the equity method and that all subsidiaries are fully consolidated.

The reporting period is annual. The data processed for this reporting covers the period from January 1, 2024 to December 31, 2024.

2.8.2 Methodology for analyzing eligible and aligned activities

In order to analyze the contribution of its activities to the environmental objectives, the Group has taken the following steps.

- **Non-eligible activity:** The Medical business is not eligible for the taxonomy regulation.

- **Eligible but not aligned activity:** The Aerospace business is eligible, but considered as not aligned given the lack of information from aircraft manufacturers.

- **Eligible and aligned activity:** Lastly, the Automotive activity is eligible and partly aligned.

European taxonomy		Corresponding activity of the LISI Group	Substantial contribution to one of the environmental objectives							Carried forward values		
			Mitigation	Adaptation	Water	Circular Economy	Pollution	Biodiversity	Net Turnover	CAPEX	OPEX	
Label	Regulation description	Activity										
Automotive business	3.18: Manufacturing of automotive and mobility components: Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts as defined in article 3, points 18) and 21) and 23) of Regulation (EU) 2018/858 of the European Parliament and of the Council	Production of metal and plastic assembly solutions, and safety mechanical components for automotive manufacturers and suppliers worldwide	X						X	X	X	
Aerospace activity	3.21: Aircraft manufacturing: Manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade of aircraft and aircraft parts and equipment	Production of assembly solutions and structural metal components for aircraft manufacturers worldwide	X						X	X	X	
Medical activity	Not present in the delegated acts	Manufacture of medical implants, ancillaries and minimally invasive surgical instruments with high added value										

2.8.2.1 - Aeronautical activity

The technical criteria defined by the acts delegated to the taxonomy regulation for section 3.21 are as follows: The activity must consist of the manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade of one the following:

- the aircraft with zero direct (tailpipe) CO₂ emissions;
- until December 31, 2027, the aircrafts, other than produced for private or commercial business aviation, meeting the margins specified below and limited by the replacement ratio to ensure that the delivery does not increase the worldwide fleet number:
 - having a maximum take-off mass greater than 5.7 t and less than or equal to 60 t and a certified metric value of CO₂ emissions of at least 11% less than the new type limit of the International Civil Aviation Organization (ICAO) standard (173);
 - having a maximum take-off mass greater than 60 t and less than or equal to 150 t and a certified metric value of CO₂ emissions of at least 2% less than the new type limit of the ICAO standard;
 - having a maximum take-off mass greater than 150 t and a certified metric value of CO₂ emissions of at least 1.5% less than the new type limit of the ICAO standard.

The share of taxonomy compliance of eligible aircraft shall be limited by the replacement ratio. The replacement rate will be calculated based on the proportion of aircraft permanently withdrawn from use to aircraft delivered at the global level, averaged over the preceding 10 years, as evidenced by verified data available from independent data providers.

In the absence of a certificate on the metric values of CO₂ emissions confirming the required margin to the new type limit of the ICAO standard, the aircraft manufacturer shall deliver a declaration that the aircraft meets the required level of performance and the margins of improvement with the condition that the aircraft is certified by December 11, 2026.

LISI does not have the technical information to justify the alignment. The alignment is subject to information from aircraft manufacturers, which have not yet published any information. In addition, the publication obligation only concerns European aircraft manufacturers, whereas LISI produces products for customers around the world. In addition, no study on this technical information is available to date.

By default, the Group considers that this activity is not aligned.

2.8.2.2 - Automotive business

The technical criteria defined by the acts delegated to the taxonomy regulation for section 3.18 are the following: The economic activity manufactures, repairs, maintains, retrofits, repurposes and upgrades components that are essential for delivering and improving the environmental performance for the following vehicles:

- urban, suburban and road passenger transport devices, where the direct (tailpipe) CO₂ emissions of the vehicles are zero;
- vehicles designated as categories M2 and M3 (164) where the direct (tailpipe) CO₂ emissions of the vehicles are zero;
- vehicles of category M1 and N1 classified as light-duty vehicles (165) where specific emissions of CO₂, as defined in article 3 (1), point (h) of Regulation (EU) 2019/631 of the European Parliament and of the Council (166), are zero;
- vehicles of category L (167) with tailpipe CO₂ emissions equal to 0 g CO₂/km calculated in accordance with the emission test laid down in Regulation (EU) No. 168/2013;

- vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels, with a technically permissible maximum laden mass not exceeding 7.5 tons, that are “zero-emission heavy-duty vehicles” as defined in article 3 (11) of Regulation (EU) 2019/1242 of the European Parliament and of the Council (168).

The economic activity manufactures, repairs, maintains, retrofits, repurposes and upgrades mobility components for personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity.

Thus, the alignment with this activity will be considered as follows:

- if the parts are dedicated to electric vehicles, then the associated turnover, CAPEX and OPEX are considered at 100%;
- if the parts are intended for multiplatform vehicles (without traceability of engine types), then the associated turnover, CAPEX and OPEX are considered pro-rata to market share in the geographical areas considered.

2.8.2.3 - Medical activity

Based on the analysis of the texts, some of the Group’s activities potentially have a positive impact on the environment and society but do not meet the eligibility criteria. These include the medical business.

2.8.2.4 - Substantial contribution

The LISI group analyzed the substantial contribution of the Automotive and Aerospace activities to the objective of climate change mitigation.

- For the Automotive business, the Group considers that the criterion of “substantial contribution to climate change mitigation” is satisfied by the parts that are sold to be fitted to electric vehicles that meet the technical criteria of car manufacturers.

- For the Aerospace activity, the Group does not publish an aligned share of this activity due to the absence of data available to demonstrate the alignment with the criterion defined by the European taxonomy. Indeed, aircraft manufacturers do not currently publish the number of aircraft meeting the technical criteria enabling them to be considered aligned. The Group plans to conduct an additional analysis at a future date as soon as this market information becomes available.

2.8.2.5 - “Do not cause significant harm” (DNSH) criteria:

■ Climate change adaptation

Initially, an internal analysis was carried out to identify chronic and acute climate risks at the sites of the three divisions, taking into account the RCP 8.5 scenario of the IPCC. The conclusions were as follows:

- 10 sites were identified as being in water stress areas with a potential impact. Nevertheless, the potential impact would be a temporary reduction in activity

(a shutdown for a short period in the worst case). These sites must implement an action plan to control their water consumption.

- 1 site is located in the middle of a forest. There have never been any forest fires in this area.
- The other elements relating to adaptation to climate change in annex A of the delegated act were also reviewed without identifying any major impact for our activities.

■ Water and marine resources:

LISI AEROSPACE and LISI AUTOMOTIVE divisions' sites are mainly ISO 14001 certified (see dedicated section). Thus, the Environmental Analysis carried out by each site must include the sensitivity of the environment and the environmental impact on it.

The sites must also carry out a regulatory compliance analysis that shows there was no violation of the regulations relating to water discharges. Water discharges generated by operations are analyzed in accordance with the regulations in force. In the event of a discrepancy, an analysis of the causes is carried out and actions are taken to return to the levels defined by the authorities. In 2023, one site was given formal notice by the authorities following non-compliant water discharge results. No environmental impact has been identified. Nevertheless, as the regulatory limit values were exceeded, the site defined an action plan that was submitted and validated by the authorities in order to remedy the situation. This action plan is currently being implemented.

■ Transition to a circular economy:

The components manufactured by the LISI AEROSPACE and LISI AUTOMOTIVE divisions are either metal or plastic. Concerning the reuse and use of secondary raw materials: the raw material in question favors the use of recycled material. LISI AEROSPACE and LISI AUTOMOTIVE's suppliers are encouraged to use recycled materials as much as possible. Offcuts of plastic parts are recovered, crushed and reinjected into the raw material circuit of the sites concerned (in the proportion that allows the mechanical characteristics required by customers to be maintained). With regard to the design of manufactured products that are sustainable, recyclable, easy to disassemble and adaptable: LISI AUTOMOTIVE offers its customers products that meet their needs. In strict compliance with the ELV law, and in compliance with customer specifications, LISI AUTOMOTIVE parts are:

- Durable: compliance with the technical characteristics of resistance defined by customers.
- Recyclable: metal and plastic parts recognized as recyclable materials and without any coating that would hinder their recyclability.
- Easy to disassemble and adaptable: in compliance with technical standards defined by customers.
- LISI AEROSPACE offers its customers products that meet their needs. The parts provided by LISI AEROSPACE are:
 - Durable: compliance with the technical characteristics of resistance defined by customers.
 - Recyclable: metal and plastic parts recognized as recyclable materials and without any coating that would hinder their recyclability.
 - Easy to disassemble if and only if it does not harm the final safety of users.

Concerning waste management and prioritizing recycling: the parts manufactured by LISI AEROSPACE and LISI AUTOMOTIVE are made through the following processes:

- Mainly metal deformation processes such as cold forging, hot forging and rolling. These processes are known to generate very little waste.
- Plastic injection: plastic offcuts (core samples) are optimized and reduced as much as possible. They are crushed and reinjected into the raw material circuit.
- Metal cutting: cutting in metal strips is optimized to minimize waste. They are sorted and sent to recycling for material recovery.
- Machining: the recovered shavings are sorted and sent to recycling for material recovery.
- Surface treatment: waste is not easily recovered but is disposed of according to regulatory channels.

■ Pollution prevention and control:

The LISI Group has taken into account the changes made by the new texts published in June 2023 concerning the "Pollution prevention and control" criterion.

The Taxonomy Regulation requires compliance with the absence of the manufacture, marketing or use of various chemical substances governed by European legislation:

- Persistent Organic Pollutants (POP Regulation);
- Chemicals containing mercury or mercury derivatives;
- Ozone-depleting substances;
- Hazardous chemical substances in electrical and electronic equipment, unless they comply with article 4 of the WEEE Directive (Waste Electrical and Electronic Equipment);
- Substances subject to restriction by the REACH regulation (Registration, Evaluation, Authorization and restriction of Chemicals), unless they comply with the conditions of annex XVII of REACH.

As part of its manufacturing activities, LISI complies with these European regulations and meets the criteria defined by the European taxonomy:

Under paragraph (f), the assurance of the absence of use in our raw materials, intermediate products or final product in quantities greater than 0.1% of substances of very high concern (SVHC) included on the candidate list of REACH except to demonstrate the absence of alternative and the use under controlled conditions.

■ Protection and restoration of biodiversity and ecosystems:

The LISI Group ensures that its sites and products have no impact on biodiversity and ecosystems.

ISO 14001-certified sites must take into account the sensitivity of the environment when assessing the environmental impacts of their activities and products. This includes biodiversity and ecosystems.

In addition, most of the LISI AEROSPACE and LISI AUTOMOTIVE divisions' sites are located in developed industrial areas or in urban areas. Their activity is therefore limited with regard to the surrounding environment. The most important sites, and therefore potentially the most impactful, are subject to administrative authorization. In France, as in most countries, an impact study is required to obtain operating permits. The regulations require that the impact on biodiversity and ecosystems be assessed.

In an exploratory manner, in 2023, LISI carried out a spatial analysis (which is still valid) of its sites to identify those located near the biodiversity areas declared in the IBAT database. These key biodiversity areas (KBAs) correspond to areas identified according to specific criteria as making a significant contribution to maintaining biodiversity within the various ecosystems.

This database assesses the risk of impact of a location less than 50 km from a biodiversity area. The risk is divided into three categories: low, moderate and high.

By juxtaposing the location of our 47 sites, 23 are classified as low risk, 24 as moderate risk and only 1 is classified as high risk. This is the Heidelberg site (Germany), which is in an industrial zone in a city center.

LISI is continuing its analysis to make full use of this information.

■ Regarding the "Minimum Guarantees" criteria:

The 2020 taxonomy regulation specifies in its Article 18:

"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights."

The Group has analyzed compliance with minimum social safeguards and wishes to publish the fact that it subscribes to the highest international standards relating to human rights in the conduct of its activities and in its value chain.

LISI has been a signatory of the UN Global Compact since 2017.

The Group's approach is based on recognized international standards, in particular the Universal Declaration of Human Rights, the United Nations Guiding Principles on international companies and the Fundamental Conventions of the International Labor Organization; these cover in particular child labor, forced labor, non-discrimination, freedom of association and bargaining as well as occupational health and safety.

Each year, LISI publishes its Vigilance Plan in its Universal Registration Document. This describes the main human rights risks of its activities as well as those of its supply chain, and the measures put in place to prevent them.

By entrusting the non-financial rating company EcoVadis with the performance of documentary audits of its suppliers, LISI measures the performance of its main suppliers (see section Responsible Purchasing):

The group's procedures deal with:

- Ethics policy;
- Corruption prevention;
- Protection of privacy and personal data;
- Fight against tax evasion;
- Competition law

Below are the tables required by Appendix II of the taxonomy regulation.

2.8.3 Turnover

2024 Fiscal year	2024			Substantial contribution criteria						Do no significant harm criteria ("DNSH criteria")											
Economic activity (1)	Code(s) (2)	Absolute Turnovers (3)	Share of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of turnover aligned (A.1.)	Category (enabling activity) (19)	Category (transitional activity) (20)		
		€ k	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	H	T		
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (taxonomy aligned)																					
Manufacturing of automotive components and mobility components	CCM 3.18	81,053	5%	YES	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0%	N/A	N/A		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																		
of which enabling		81,053	5%																		
of which transitional		0	—%																		
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacturing of automotive components and mobility components	CCM 3.18	476,646	27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Aircraft manufacturing	CCM 3.21	1,020,882	57%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Turnover of taxonomy-eligible but environmentally unsustainable activities (not taxonomy aligned) (A.2)		1,497,528	83%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
A. Turnover of taxonomy-eligible activities (A.1 + 1.2)		1,578,581	88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																					
Turnover of taxonomy non-eligible activities		215,469	12%																		
TOTAL		1,794,050	100%																		

2.8.4 CAPEX

2024 Fiscal Year	2024			Substantial contribution criteria						Do no significant harm criteria ("DNSH criteria")											
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Share of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of capital expenditure aligned (1)	Category (enabling activity) (19)	Category (transitional activity) (20)		
		€ k	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	H	T		
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (taxonomy aligned)																					
Manufacturing of automotive components and mobility components	CCM and CCA 3.18	1,417	1.2%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0%	N/A	N/A		
Construction of new buildings	CCM and CCA 7.1	9,789	8.4%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0%	N/A	N/A		
Renovation of existing buildings	CCM and CCA 7.2	43	—%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0%	N/A	N/A		
Installation, maintenance, and repair of equipment promoting energy efficiency	CCM and CCA 7.3	748	0.6%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.2%	N/A	N/A		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM and CCA 7.4	137	0.1%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.1%	N/A	N/A		
Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings	CCM and CCA 7.5	10	—%	YES	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.1%	N/A	N/A		
CapEx environmentally sustainable activities (taxonomy-aligned) (A.1)		12,144	10.4%														1.5%				
of which enabling		12,144	10%														1.5%				
of which transitional																					
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned)																					
				EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL												
Manufacturing of automotive components and mobility components	CCM and CCA 3.18	28,999	24.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Aircraft manufacturing	CCM 3.21	51,009	43.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											53%	
CapEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		80,008	68.6%																	63%	
A. CapEx of taxonomy-eligible activities (A.1 + 1.2)		92,152	79.0%																	64%	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																					
CapEx of taxonomy non-eligible activities		24,516	21.0%																		
TOTAL		116,668	100%																		

2.8.5 OPEX

2024 Fiscal year	2024			Substantial contribution criteria						Criteria for absence of material prejudice (DNSH - Does Not Significant Harm)										
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Share of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guaranties (17)	Proportion of operating expenses aligned (A.1.) or eligible (A.2.) for the taxonomy, year N-1	Category (enabling activity) (19)	Category (transitional activity) (20)	
		€ k	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	H	T	
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1 Taxonomy aligned																				
Manufacture of automotive and mobility components	CCM 3.18	77,081	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	–%	N/A	N/A	
None																				
Opex of taxonomy aligned activities (A.1.)		0																		
of which enabling		77,081	4%														0%	NA		
of which transitional																				
A.2 Taxonomy eligible but not taxonomy aligned activities																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of automotive and mobility components	CCM 3.18	453,288	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											5%
Manufacture of aircraft	CCM 3.21	980,529	56%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											52%
Opex of taxonomy eligible but not taxonomy aligned activities (A.2.)		1,433,817	81%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											57%
TOTAL A (A.1. + A.2.)		1,433,817	81%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											57%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Opex of taxonomy non eligible activities (B)		326,364	19%																	
TOTAL A + B		1,760,181	100%																	

2.9 PLANET – Performance metrics

	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
3 – PROTECT OUR ENVIRONMENT										
% of energy savings in Mwh thanks to projects vs Y-1	nd	nd	nd	1.7 %	1.8 %	1.5 %		ESRS E-1	GRI 302-4	ODD 7, 13 
% of renewable energies produced on site	nd	nd	nd	0.3 %	0.7%			ESRS E-1	GRI 302-4	
% of recycled wastes	72.5 %	74.4 %	75.0 %	73.5 %	73.8 %			ESRS E-5	GRI 306-4	ODD 12 
% of capex dedicated to reduce our CO ₂ emissions	nd	nd	2.2 %	4.6 %	7.3 %			BD-b	na	ODD 7 
4 – WORK IN OUR REGIONS										
% of sites in water hydric stress zone with an action plan	nd	nd	nd	18 %	65 %	100 %		ESRS E-5	GRI 303-1; 303-2	ODD 6 
GREENHOUSE GAS EMISSIONS - By Scope (T CO₂)										
Scope 1	40,990	35,799	28,201	25,183	26,032			ESRS E-1	GRI 305-1	ODD 7, 13 
Scope 2	65,542	64,424	42,162	46,387	41,781			ESRS E-1	GRI 305-2	
Total - Scopes 1 & 2 [T CO₂]	106,532	100,223	70,363	71,570	67,813			ESRS E-1	GRI 305-1	AFFORDABLE AND CLEAN ENERGY 
Scope 3	402,790	226,591	530,291	570,796	553,893			ESRS E-1	GRI 305-1	
Total - Scopes 1, 2 & 3 [T CO₂]	509,322	326,814	600,654	642,366	621,706			ESRS E-1	GRI 305-1	CLIMATE ACTION 
Scopes 1 + 2 + 3 partial - historically comparable	509,322	326,814	291,487	321,410	312,248	-30%		ESRS E-1	GRI 305-1	
Scopes 3 partial - historically comparable	402,790	226,591	203,906	236,615	228,071			ESRS E-1	GRI 305-1	
GREENHOUSE GAS EMISSIONS - By Item (T CO₂)										
GHG Natural Gas (T CO ₂)	37,174	32,590	23,625	22,489	22,941			ESRS E-1	GRI 305-1	ODD 7 
GHG Domestic heating fuel (T CO ₂)	460	212	205	199	197			ESRS E-1	GRI 305-1	
GHG LPG (T CO ₂)	1,206	1,372	1,090	865	664			ESRS E-1	GRI 305-1	AFFORDABLE AND CLEAN ENERGY 
GHG Vehicles owned (T CO ₂)	621	287	304	283	196			ESRS E-1	GRI 305-1	
GHG Private vehicles under lease (T CO ₂)	2	2	1,691	1,691	852			ESRS E-1	GRI 305-1	CLIMATE ACTION 
GHG Fugitive emissions from refrigerants (T CO ₂)	1,527	1,335	1,286	1,341	1,182			ESRS E-1	GRI 305-1	
Total - Scope 1 [T CO₂]	40,990	35,798	28,201	26,868	26,032			ESRS E-1	GRI 305-2	
GHG Electricity (T CO ₂)	65,542	64,424	42,015	46,274	41,637			ESRS E-1	GRI 305-2	ODD 13 
GHG Heating network (T CO ₂)	0	0	147	113	144			ESRS E-1	GRI 305-2	
Total - Scope 2 [T CO₂]	65,542	64,424	42,162	46,387	41,781			ESRS E-1	GRI 305-2	CLIMATE ACTION 
Total - Scopes 1 & 2 [T CO₂]	106,532	100,222	70,363	73,255	67,812			ESRS E-1	GRI 305-1	
Purchases of goods & services (other than Raw materials) (T CO ₂)			183,201	213,205	196,020			ESRS E-1	GRI 305-1	ODD 13 
Consumption of raw materials (T CO ₂)	390,912	216,932	189,054	218,114	212,413			ESRS E-1	GRI 305-1	
Capex (T CO ₂)			80,212	66,329	71,146			ESRS E-1	GRI 305-1	CLIMATE ACTION 
Fuel and energy related activities (not included in Scope 1 or 2)	Included in Scopes 1 and 2		17,218	16,225	16,363			ESRS E-1	GRI 305-1	
Upstream transport (T CO ₂)	11,878	9,659	14,852	15,501	15,658			ESRS E-1	GRI 305-1	
Wastes generated by operations (T CO ₂)			31,395	30,301	30,475			ESRS E-1	GRI 305-1	
Business Travel (T CO ₂)			564	717	489			ESRS E-1	GRI 305-1	
Communiting (T CO ₂)			13,795	10,403	11,330			ESRS E-1	GRI 305-1	
Upstream leased assets (T CO ₂)				–	–			ESRS E-1	GRI 305-1	
Total - Scope 3 [T CO₂]	402,790	226,591	530,291	570,795	553,893			ESRS E-1	GRI 305-1	
Total - Scopes 1, 2 & 3 [T CO₂]	509,322	326,813	600,654	644,050	621,706			ESRS E-1	GRI 305-1/2	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
WATER CONSUMPTION IN M³										
City water consumptions	522,785	308,271	342,900	336,375	384,473			ESRS E-5	GRI 303-5	ODD 6  CLEAN WATER AND SANITATION
Consumption for water drawn from the natural environment	267,771	205,187	252,289	131,977	141,129			ESRS E-5	GRI 303-3	
Rainwater recovery				8,039	11,544			ESRS E-5	GRI 303-3	
Total - Water consumption (in m³)	790,556	513,458	595,189	476,391	537,146			ESRS E-5	GRI 303-5	
ENERGY CONSUMPTION IN MWH										
Electricity from network (non renewable)	311,181	262,895	276,260	277,256	274,707			ESRS E-1	GRI 302-1	ODD 7 ; 13  
Electricity from network (renewable)	nd	nd	nd	nd	7,337			ESRS E-1		
Natural gas	157,679	146,077	136,262	124,417	127,009			ESRS E-1		ODD 7 ; 13  AFFORDABLE AND CLEAN ENERGY
Biogas	nd	nd	nd	nd	–			ESRS E-1	GRI 302-1	
LPG	5,348	5,044	4,680	3,714	2,851			ESRS E-1	GRI 302-1	
Domestic fuel	1,417	675	753	736	726			ESRS E-1	GRI 302-1	
Other energies	570	1,224	949	728	929			ESRS E-1	GRI 302-1	 CLIMATE ACTION
Renewable electricity production (sold to network)	–	–	–	–	–			ESRS E-1	GRI 302-1	
Renewable electricity production (self consumed)	–	–	–	1,022	2,131			ESRS E-1	GRI 302-1	
TOTAL	476,195	415,915	418,904	406,851	415,691			ESRS E-1	GRI 302-1	
Revenue (In M€)	1,730	1,164	1,425	1,630	1,790			NA		
Intensity ration (Consumption / Revenue)	275	357	294	250	232			NA	GRI 302-3	ODD 7 ; 13  
BREAKDOWN OF TOTAL ENERGY CONSUMPTIONS (in MWH) BY COUNTRY										
France	313,426	268,486	257,801	247,039	252,426			ESRS E-1	GRI 302-1	ODD 7 ; 13  AFFORDABLE AND CLEAN ENERGY
United States	44,906	47,092	58,446	56,900	57,674			ESRS E-1	GRI 302-1	
Germany	44,330	38,917	39,143	37,695	36,799			ESRS E-1	GRI 302-1	
Spain	21,734	17,573	15,908	16,418	17,480			ESRS E-1	GRI 302-1	
Turkey	11,585	8,675	11,359	12,472	12,368			ESRS E-1	GRI 302-1	 CLIMATE ACTION
Canada	9,289	8,095	8,469	8,490	8,571			ESRS E-1	GRI 302-1	
United Kingdom	12,149	6,870	7,337	7,690	7,820			ESRS E-1	GRI 302-1	
Czech republic	6,949	6,272	6,174	5,966	5,425			ESRS E-1	GRI 302-1	
China	4,799	4,905	5,904	4,478	4,710			ESRS E-1	GRI 302-1	
Mexico	4,724	4,735	3,577	4,222	4,476			ESRS E-1	GRI 302-1	
Poland	3,159	3,011	3,361	3,427	3,297			ESRS E-1	GRI 302-1	
Morocco	3,565	1,285	1,421	2,054	2,514			ESRS E-1	GRI 302-1	
OUR WASTES (IN TONS)										
Metals	22,220	17,092	21,891	19,725	19,684			ESRS E-5	GRI 306-3	ODD 12  RESPONSIBLE CONSUMPTION AND PRODUCTION
Paper - Cardboard	617	398	377	510	474			ESRS E-5	GRI 306-3	
Plastic	329	347	271	356	462			ESRS E-5	GRI 306-3	
Wood	917	614	674	718	774			ESRS E-5	GRI 306-3	
Oils	2,412	2,141	2,113	2,254	2,044			ESRS E-5	GRI 306-3	
Other non-hazardous waste	2,966	1,768	2,230	2,255	2,301			ESRS E-5	GRI 306-3	
Hazardous waste (without oil)	13,026	9,894	11,051	11,598	11,775			ESRS E-5	GRI 306-3	
Total - Wastes (in Ton)	42,487	32,254	38,607	37,416	37,513			ESRS E-5	GRI 306-3	
BREAKDOWN OF GENERATED WASTES										
% recycling	66.0 %	67.0 %	67.0 %	68.0 %	66.2 %			ESRS E-5	GRI 306-1; 306-4	ODD 12  RESPONSIBLE CONSUMPTION AND PRODUCTION
% energy recovery	8.0 %	8.0 %	8.0 %	6.0 %	7.6 %			ESRS E-5	GRI 306-1; 306-4	
% physic-chemical treatment	15.0 %	15.0 %	13.0 %	13.0 %	14.9 %			ESRS E-5	GRI 306-1; 306-5	
% landfill	5.0 %	5.0 %	4.0 %	4.0 %	3.9 %			ESRS E-5	GRI 306-1; 306-5	
% other treatment	7.0 %	6.0 %	8.0 %	9.0 %	7.3 %			ESRS E-5	GRI 306-1; 306-5	
% of recycled wastes	72.5 %	74.4 %	75.0 %	73.5 %	73.8 %			ESRS E-5	GRI 306-4	

3 PEOPLE – Social information (ESRS S)

3.1 PEOPLE - Occupational health and safety (ESRS S1)

3.1.1 Strategic context and challenges

Occupational health and safety are absolute priorities for the LISI Group. As a company committed to the continuous improvement of its practices, LISI recognizes that protecting the health and safety of its employees is essential not only for the well-being of each individual, but also for the overall performance of the company.

Occupational health and safety issues for the LISI Group include the prevention of accidents, the reduction of occupational risks, and the promotion of a healthy and safe

working environment where everyone is involved on a daily basis. These efforts not only ensure compliance with applicable regulations, but also foster a positive corporate culture where every employee feels valued and protected.

By investing in training programs, protective equipment and well-being initiatives, LISI ensures that its employees can work in the best possible conditions, which contributes to productivity and quality of life at work.

3.1.2 Policy and commitments

The Group's ambition is to achieve excellence in health and safety at work. For LISI, excellence means:

- everyone coming home after work in good health,
- the Group continually improving working conditions,
- the Group complying with regulatory obligations and other commitments to which it is subject.

By signing this policy, the Group's Senior Management and the divisions committed to dedicating momentum and resources into achieving this excellence.

The LISI Group uses the principles of ISO 45001 v2018, the international standard on health and safety at work, to implement this policy. The deployment strategy is based on the prioritization of prevention measures:

- Elimination of the hazard,
- Substitution with less hazardous operations or equipment,
- Collective protection,
- Training,
- Individual protection.



3.1.3 Impacts, risks and opportunities (IRO)

The table below shows the Impacts, Risks and Opportunities resulting from the materiality analysis concerning the issue of health, safety and quality of life at work.

ESRS	Issues	Impacts and Risks	Opportunities
S1	Health, safety and quality of life at work: Preventing risks to the physical and psychological health of employees. Improving the quality of life at work and taking into account the work-life balance.	■ Impact on the mental and physical health of employees and service providers ■ Loss of productivity ■ Legal and criminal risk ■ Reputational risk	■ Talent attractiveness and retention ■ Social cohesion ■ Improved productivity ■ Decrease in absenteeism

3.1.4 Governance and resources

3.1.4.1 - Governance

An annual HSE department review ensures the achievement of the targets and the effectiveness of the LISI Excellence HSE program, in order to adapt it if necessary and to define the HSE roadmap for the coming years. Taking part in this management review are:

- Three members of the Executive Committee: the Industrial and Purchasing Director, the CSR & Digital Transformation Director, the Chief Executive Officer of the MEDICAL division,
- The Group HSE Manager,
- The Group CSR Manager,
- The Quality and Industrial Performance Directors of LISI AEROSPACE and LISI AUTOMOTIVE,
- The HSE Departments of LISI AEROSPACE and LISI AUTOMOTIVE.

An HSE Expert Committee also meets on a monthly basis. It is composed of:

- The Industrial and Purchasing Director,
- The Group HSE Manager,
- The Group CSR Manager,
- The Quality and Industrial Performance Directors of LISI AEROSPACE and LISI AUTOMOTIVE,
- The HSE Departments of LISI AEROSPACE and LISI AUTOMOTIVE.

It has an operational role of support and continuous improvement in the areas of health, safety, and the environment. In 2024, it monitored the progress of the strategic plan, in particular the review of health and safety targets and the deployment of planned actions. It also steered the monitoring of site disruption plans under reinforced oversight, the cross-functionalization of corrective actions, and the sharing of best practices.

3.1.4.2 - Resources

Central organization:

At Group level:

The main HSE missions are carried out by:

- The Group HSE Manager, who reports to the Industrial and Purchasing Director: she is responsible for managing and coordinating the HSE management system (LISI E-HSE program), preparing and communicating the various HSE reports, external ISO 14001 and ISO 45001 audits, management of Group HSE contracts. She also provides operational support to sites and divisions,
- The Group's CSR Manager, who reports to the CSR and Digital Transformation Director: he is responsible for managing internal E-HSE audits, relations with insurers and the main stakeholders, and monitoring environmental projects (renewable energy, energy saving projects, etc.).

At division level:

The main HSE missions are carried out by:

- the LISI AEROSPACE and LISI AUTOMOTIVE HSE divisions, which report respectively to the Research and Technology Director and the Excellence System and Global Supply Chain Director: they are responsible for managing the actions specific to their division, deploying and monitoring the achievement of HSE targets and the associated actions. They ensure the relevance and progress of 8D analyzes following an HSE incident. They actively participate in the deployment of the LISI E-HSE program (new tools, training, definition of the strategy, etc.). Each HSE department can rely on functions specific to the subjects of its division: for example a LCA (life cycle analysis) engineer for LISI AUTOMOTIVE, a chemical products manager for LISI AEROSPACE.
- Given the size of the MEDICAL division (four production sites), these missions are largely carried out by the division's CEO.

Organization on production sites:

Each site has a dedicated HSE department responsible for implementing the LISI E-HSE policy and preventing occupational risks. On sites with more than 100 people, a full-time HSE manager reports directly to the site manager, ensuring coordination and responsiveness. For smaller sites, one person is appointed, sometimes with other assignments.

HSE managers ensure compliance with legal and internal health, safety and environmental requirements. They collaborate with other departments to ensure the safety

of equipment and implement precautionary measures if necessary. They lead HSE communication, raise awareness among teams and participate in management reviews, thus promoting the continuous improvement of health and safety practices.

All sites have also set up Safety Committees (or CSSCT in France) to involve employees or their representatives in the process of improving working conditions. The main role of these committees is to participate in the development, implementation and monitoring of the site's HSE policy and health and safety improvement actions.

3.1.5 Actions

3.1.5.1 - LISI Excellence HSE program

Since 2013, LISI has built a tailor-made program: LISI HSE Excellence (or LISI E-HSE), which is the heart of its health and safety at work management system.

This ambitious program aims to engage each employee around a common goal: prevention for health and safety at work but also protection of the environment. It provides everyone with procedures and tools to achieve HSE targets. It is based on 12 areas for continuous improvement.



The use of certain tools is mandatory, such as:

- LISI RM, a software tool used to identify, assess and manage HSE risks,
- Golden Rules: HSE rules common to all LISI sites,
- 8D cause analysis, a tool for analyzing the root causes of accidents and incidents.

Other tools are available depending on the specific needs of each site, for example:

- "Je Vois – J'Agis" ("I See – I Act"), a tool enabling each employee to be a daily player in a dangerous situation, and to develop shared vigilance,
- "HSE mission of supervisors" training,
- Best practices on energy, fire, etc.,
- "Change Management" tool, to manage risks when setting up new projects.

Moreover, HSE is one of the first items discussed during each meeting:

- Field meetings (PSM),
- Weekly Steering Committee meeting at Group level,
- Monthly presentation of the results of each division/ Business Group/site,
- Monthly Management Committee and Executive Committee meetings,
- Advice on the annual performance of each site.

At LISI, the E-HSE internal audit process is methodical, independent and documented. It aims to obtain audit evidence and objectively assess it to determine compliance with LISI's requirements. The main objectives of E-HSE internal audits are to verify compliance with ISO 45001 and ISO 14001 standards, and to assess the maturity and level of deployment of the LISI Excellence HSE program.

The Group CSR Manager is responsible for the application of the internal audit procedure, the planning of internal audits and their implementation by competent persons. An annual schedule is drawn up jointly with the divisions and approved by the Group's Executive Management. Each site is, in principle, audited once every three years, although this frequency may vary depending on the results of previous audits.

The results of the audit are presented at the closing meeting, a report is drafted by the lead auditor and sent to the parties concerned. The audit findings are, depending on the case, identified as best practices, opportunities for improvement, weaknesses or non-compliance (minor or major). A corrective action plan must be submitted within one month of the publication of the final report. This plan is validated by the HSE Director of the division concerned and the Lead Auditor, who ensures that the corrective actions resolve the non-compliance and weak points identified.

In 2024, 10 internal audits were carried out and the schedule was respected at 71%. The audits not carried out were rescheduled in 2025.

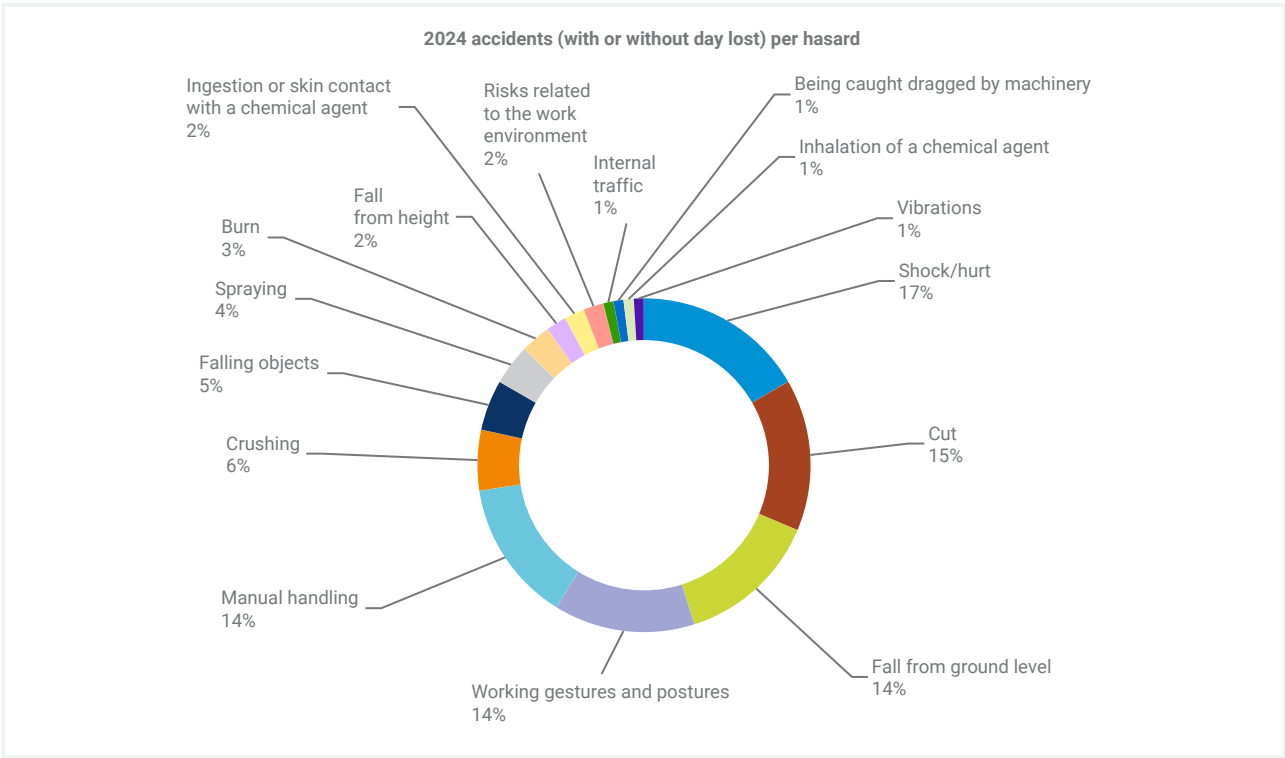
3.1.5.2 - Identification of the main risks and hazards at work

The LISI group sites assess the occupational risks of their workstations annually when required by regulations, if not at least every three years. The purpose of this assessment is to identify the significant risks and implement the necessary action plans to eliminate them and, if this is not possible, reduce them.

A Group procedure defines the risk assessment methodology. It is common to all Group sites.

In 2024, the Group initiated a change in the management software for Professional Risk Assessments which will be completed in the first quarter of 2025.

The main tables presenting the injuries in 2024 are as follows:



High Potential Severity (HPS) situations:

At LISI, employee safety also involves managing High Potential Severity (HPS) situations. The Group has defined a process to identify and manage these potentially serious situations. These are situations that are or could be the cause of a serious or fatal accident.

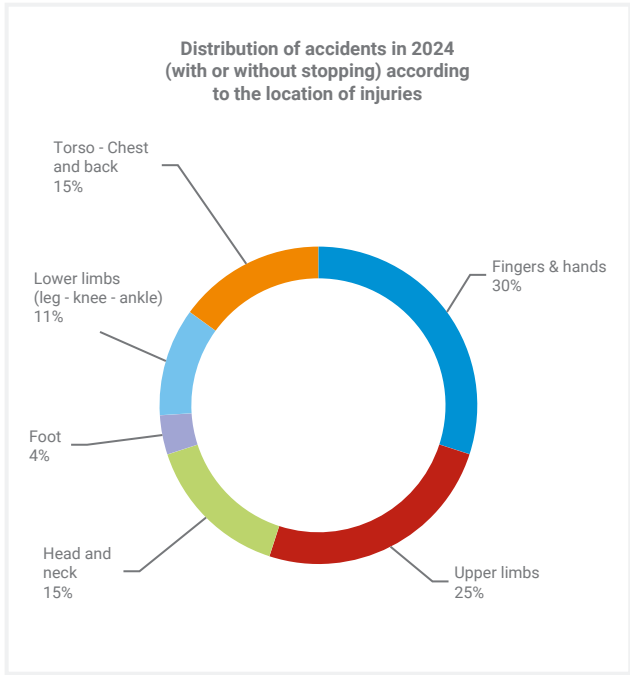
Initially, the sites identified these situations based on the results of their occupational risk assessment. The sites determined the TOP 3 HPSs before their validation by the division's HSE department.

Each site then defined an HSP reduction plan. The reduction actions must be finalized by December 31, 2025

at the latest. To ensure the monitoring of this target, specific reporting was set up and monitored during HSE expert meetings.

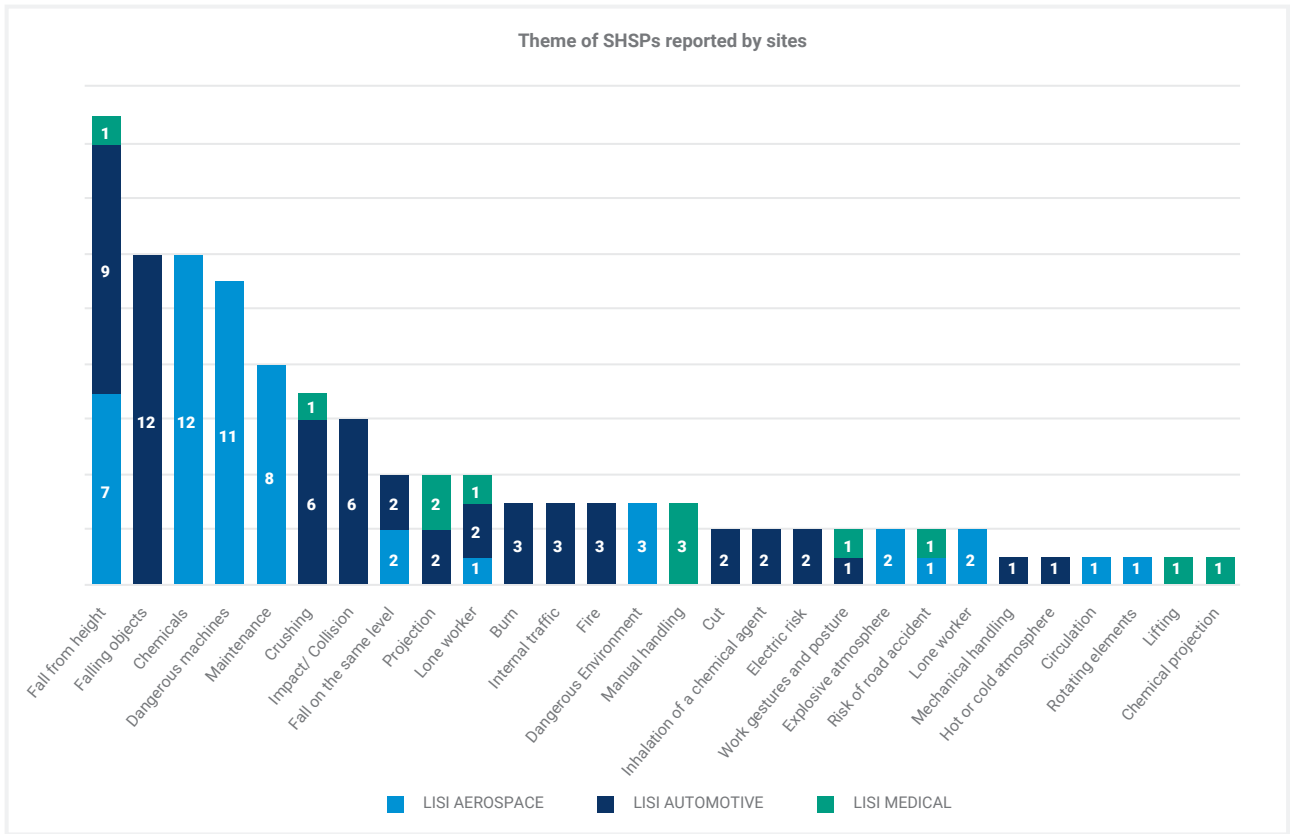
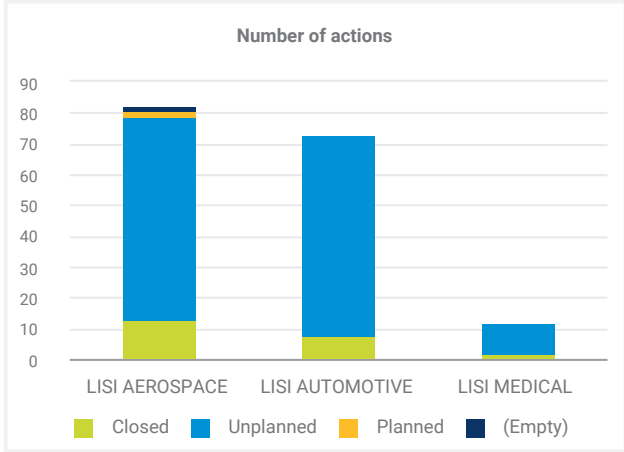
When actions related to a situation with high potential severity are implemented, a communication in "Best Practice" format is carried out by the site. This communication is disseminated by the Group *via* the monthly HSE reporting, intranet news, and other internal communication channels.

At the end of 2024, all sites had correctly identified their TOP 3 HPSs. The graph below shows the breakdown by type of hazard.



All actions to reduce HPSs have been identified and recorded in the HSE software. At the end of 2024, only three actions out of the 168 remained to be planned.

It should also be noted that some actions have already been carried out. At the end of 2024, 14% of the actions had been completed. The target is to settle 100% of these actions by the end of 2025.



3.1.5.3 - Training and awareness

The LISI Group devotes a number of resources to the training of its staff throughout the professional life of employees and temporary workers. For HSE, the training provided is as follows:

- The general HSE onboarding of all employees and temporary workers: it includes essential concepts such as the HSE policy and targets, the LISI golden rules, the personal protective equipment to be worn on the site, the emergency situations, the main risks of a site, the concepts of withdrawal rights and shared vigilance, etc.
- Onboarding at the workstation: it also recalls all the elements relating to health and safety but specific to the workstation. They are presented by a tutor or supervisor.
- Regular training for employees and temporary workers: this may be:
 - Mandatory training to occupy the workstation: driver's license, electrical certification, etc.
 - General training in health and safety: first aid, handling of fire extinguishers, safety culture, etc.

- Training for managers: "HSE mission for supervisors", civil and criminal liability, etc.

In order to continue the development of the HSE culture, from 2023, LISI committed to ensuring that 100% of the Group's employees participate in at least one health and safety training/awareness-raising activity per year. The topic of awareness-raising varies each year and is defined during the HSE expert committees. Once the topic has been set, the awareness-raising material is prepared and communicated to all sites, which are in charge of deploying it to employees.

In 2024, the topic of the year was "The importance of reporting HSE information (Bird Pyramid, "I See - I Act" approach)". The 2024 target was achieved with 10,085 people trained through a two-hour awareness-raising session.

In 2025, the approach is continuing and the topic chosen is "Shared Vigilance".

3.1.5.4 - Health and safety improvement plan

At Group level:

The HSE improvement plan is included in the A3 HSE (detailed in section 3.1.7).

Sites where health and safety results are not at the level expected by the Group may be subject to a specific action plan (disruption plan), monitored by the division concerned and/or the Group.

In 2024, ten sites were concerned by this type of approach.

At site level:

Each site draws up a health and safety improvement plan that includes:

- Actions to achieve the Group's HSE objectives,
- Actions aimed at eliminating or reducing significant risks from the assessment of occupational risks,
- Corrective actions resulting from analysis of the causes of accidents/health and safety incidents,
- Corrective actions following non-compliance cases from external audits,
- Corrective actions following non-compliance cases and internal audit recommendations,
- Actions resulting from site management reviews,
- Actions resulting from the consultation/participation of employees or their representatives.

The HSE department manages the oversight and progress of these improvement plans. Different routines for monitoring the progress of these improvement plans are implemented at the sites:

- Daily team meetings (PSM),
- Weekly or monthly meetings of the site Management Committees (A3 follow-up, Executive Committee meetings, etc.),
- Monthly HSE meetings,
- Annual review during the Management Review.

The responsibility for carrying out these actions lies with the action pilots, which may be the production department, the maintenance department, the HSE department, etc.

Numerous health and safety actions were carried out in 2024, including the following:

In connection with a High Potential Severity situation, the Beyssac site (France) has set up a robotic cell fully equipped with protective casings and controlled in operation. This cell replaces four band saws, which were used to cut the blade stubs. Access is prohibited when the machine is running. In addition, the operator feeds the machine *via* a conveyor belt, eliminating the repetitive work of carrying loads of more than 15 kg. The risk of co-activity is also eliminated.

■ Other notable actions:

- The Lake Zurich site has finalized the compliance of its machine fleet (example of housing of a Bilher machine below).



- Health and safety days for staff were organized at many sites in France (Bar-sur-Aube, Bologne, Chaumont, Hérrouville, St-Brieuc, Vignoux-sur-Barangeon, Villefranche-de-Rouergue, etc.).

3.1.5.5 - Prevention of psychosocial risks

In France, employees of the LISI Group benefit from the services of Workplace Options, in order to prevent any psychosocial risks, regardless of their origin, whether work-related or personal.

This listening and support platform, composed of psychologists available 24/7, allows any employee to obtain the assistance of a qualified professional to overcome their problems and find a solution to their

difficulties, be they of a personal, professional, family or addiction-related nature.

A telephone call allows the employee to be put in touch with a psychosocial worker in his/her region, in a completely confidential manner, who will thus be able to establish an initial diagnosis. The employee may benefit from a consultation covering up to 12 hours of treatment.

3.1.5.6 - Audits and Certifications

LISI has been certified according to ISO 14001: v2015 and ISO 45001: v2018 by Bureau Veritas since 2021. The Group is audited each year and a re-certification audit was successfully carried out in 2024 to verify continued compliance with these two standards. It should be noted that this re-certification was an opportunity to integrate two new American sites into the scope (LISI AUTOMOTIVE Termax Lake Zurich and LISI AEROSPACE Garden Grove).

41 out of the 47 sites (87%) have dual ISO 14001: v2015 & ISO 45001: v2018 certification, either through multi-site LISI certification (40 sites), or via local certification.

- Shanghai (China): the ISO 14001 & ISO 45001 certificates issued in Europe are not recognized by the Chinese government. This site is therefore certified locally.

- Bangalore (India), Livonia (United States), Queretaro (Mexico), and Suzhou (China) were recently acquired (or majority interest acquired). The LISI Group must put in place the Group's HSE management system before including them in the multi-site certification.

- Ayguemorte-les-Graves (France) is fully autonomous and integrated (process, revenue, etc.). Even though the site is not certified, it applies the principles of the Group's HSE management system.

- Chaumont (France) is a new site resulting from the relocation of part of the facilities of the Bologne site. The site applies the Group's HSE management system. Integration into the Group certification scope will be planned when the move is finalized.

15% of sites (7 sites) also have ISO 50001: v2018 certification on an individual basis. These are the following sites: Izmir (Turkey), Saint-Brieuc, Saint-Ouen-l'Aumône, Villefranche-de-Rouergue, Vignoux-sur-Barangeon (France), Tangier (Morocco) and Mellrichstadt (Germany).

Finally, six sites were assessed individually according to ISO 26000: v2020: Izmir (Turkey), Saint-Brieuc, Saint-Ouen-l'Aumône, Villefranche-de-Rouergue, Vignoux-sur-Barangeon (France) and Tangier (Morocco).

3.1.6 Results and analysis

3.1.6.1 - Accidentology

2024 target: maintain a frequency rate of workplace accidents with and without lost time of less than 7, LISI employees and temporary workers (TF1).

LISI monitors the TF1 as the main indicator relating to workers' health and safety. It represents the number of

occupational accidents with or without time lost for LISI employees and temporary workers per million of hours worked. Each accident with or without lost time that occurs at the LISI Group is reported at the highest level, up to the members of the Executive Committee.

Indicators	2019	2021	2022	2023	2024	Change over 10 years	Change over 5 years
TF0 LISI employees	5.9	6.0	4.9	3.5	3.8	-50%	-36%
TF0 LISI employees + temporary workers	6.8	6.1	5.7	4.4	4.1	-52%	-40%
TF1 LISI employees	8.0	7.9	6.1	5.7	5.4	-54%	-33%
TF1 temporary workers	21.2	9.4	24.2	18.8	8.7	-73%	-59%
TF1 LISI employees + temporary workers	9.0	8.0	7.1	6.7	5.7	-58%	-37%

TF0 = number of occupational accidents with time lost per million of hours worked.

TF1 = number of workplace accidents with and without day lost per million of hours worked.

Year 2024	LISI employees	Temporary workers	TOTAL
Number of accidents without lost time	26	2	28
Number of accidents with lost time	62	12	74
Number of fatal accidents	0	0	0
TOTAL	88	14	102

Significant events in 2024:

- The LISI Group continues to improve its accidentology. The frequency rate of accidents with and without lost time for LISI employees and temporary workers is less than 7 ($TF1_{\text{LISI employees + temporary workers}} = 5.7$), i.e. an improvement of 58% in ten years and of 37% in five years.
- The frequency rate of accidents with time lost for LISI employees ($TF0_{\text{LISI}}$) was divided by two in ten years to 3.8 accidents per million hours worked at the end of 2024.
- 64% of production sites had an occupational accident frequency rate with and without lost time that was below the target of 7 and 31% (13 sites) had no accidents in 2024 (frequency rate = 0).

- The severity rate was 0.17 days of leave for LISI employees and temporary workers per thousand hours worked at the end of 2024.

Note: The Bangalore site in India is not consolidated in the data. Nevertheless, the accidentology of this site is monitored at the local level. The site reported 4 accidents (4 with and 0 without lost time), i.e. an occupational accident Frequency Rate with and without lost time for LISI employees and temporary workers of 5.6. This frequency rate is stable compared to last year.

3.1.6.2 - Occupational illnesses

At all of the Group's production sites, 18 occupational illnesses were recognized by the competent authorities in 2024. These are mainly (94%) musculoskeletal disorders (carpal tunnel syndromes, elbow tendinopathies, rotator cuff syndromes).

All sites are working to reduce physical strain by conducting analyses and making ergonomic improvements to workstations, while also limiting the weight of containers or offering warmups prior to starting work, and using robots for certain operations.

3.1.7 Outlook and improvement plans

The LISI Group updated its Health, Safety and Environment strategic plan in the format of an "A3 HSE".

The "True North" (strategic target) of this A3 is to "define, deploy and promote a culture, tools and practices to achieve excellence in health, safety and the environment in line with the Group's societal values".

This A3 has four components:

- 1 "Healthy return from work" component,
- 1 "Improving our environmental footprint" component,
- 1 "Meeting our HSE obligations and commitments" component,
- 1 "Improving the management system" component.

Healthy return from work:

The Group has rolled out a detailed plan in three areas:

- Reducing accidents, with enhanced monitoring of sites for which the accidentology is not at the expected level, sharing feedback, etc.
- Deploying the HSE culture, with awareness-raising and training actions for all staff, including site managers,

Controlling high-risk situations, with actions to monitor and maintain the compliance of machines, the plan to reduce high potential severity situations, etc.

3.2 PEOPLE - Working conditions of LISI employees & Human Capital Development (ESRS S1)

3.2.1 Strategic context and challenges

LISI's purpose, "Shape and share sustainable links", is a strong commitment to its stakeholders, foremost among them its own workers.

In terms of working conditions and human capital development, this commitment is based on five key ambitions:

- Fulfill LISI's social and environmental responsibility,
- Provide an environment conducive to both well-being and skills and career development,
- Attract and retain talent,

- Develop diversity,
- Work positively for local authorities and regions.

In an environment marked by strong competition in the skills and talent market, the LISI Group, like its peers, faces challenges in attracting, retaining and developing its employees. With an average annual staff turnover of around 15%, the Group is called upon to continually reinvent its practices to meet ever higher expectations in terms of individual and collective performance.

The challenges of working conditions and the development of human capital are multiple:

- **Performance and skills:** With rapid technological transformations, in particular automation, digitalization and artificial intelligence, LISI must ensure that its teams have the necessary technical and managerial skills to put technological developments to work to serve both customer satisfaction and the Group's performance,
- **Attractiveness:** In a context of talent war, LISI must continually work on its image to attract young talents and diversify its recruitment,
- **Employee commitment and talent retention:** Quality of life at work, internal communication, employee involvement and quality of management are essential levers for building loyalty and uniting teams around common objectives,

3.2.2 Policy and commitments

True to its entrepreneurial culture, LISI grants its divisions a wide range of initiatives and actions, particularly in terms of human resources management.

LISI is constantly seeking the best balance between division autonomy and shared ambition.

To this end, LISI formulated its Group HR policy in 2024, named "People Excellence@LISI - LISI's human capital development policy".

This policy formalizes the Group's vision and expectations in many areas.

The guiding principles are:

- **Consistency and legibility of practices:** Although each division retains the flexibility to act, it is essential that HR practices be part of a common framework, to offer each employee fair opportunities for fulfillment, development and recognition,
- **Promotion of best practices:** The sharing and transversalization of successful initiatives makes it possible to strengthen collective effectiveness,
- **Innovation and digitalization:** The development of e-learning and digital tools such as FABRIQ and MERCATEAM demonstrate a commitment to simplify and automate HR processes, while improving talent and skills management.

Priority areas of LISI's human capital development policy:

- **Attractiveness:** LISI relies on a strong employer brand, combined with local initiatives with schools and universities, to attract the talents of tomorrow. Efforts to diversify recruitment, in particular by integrating more women in predominantly male occupations and in leadership, are a priority. The Employer showcase presented on WELCOME TO THE JUNGLE contributes to this effort of visibility and attractiveness,

- **Corporate social responsibility:** In a global context of extended corporate responsibility, LISI strives to create a positive impact, both on its employees and on local communities.

True to its commitments and values, LISI strives to balance economic and social performance, by focusing on working conditions, quality of life at work, skills and career development, and the creation of an inclusive and engaging work environment.

Frequently used acronyms:

- HR = Human Resources
- LKI = LISI Knowledge Institute
- QWL = Quality of Life at Work
- HR Director or HR Manager = Human Resources Director or Manager

- **Employee development:** LISI has always promoted training and talent development. The "LISI Knowledge Institute", the Group's corporate university, testifies to LISI's ambition in terms of training, sharing experience and skills development, as well as in favor of technical, functional and organizational excellence, serving innovation, operational excellence and customer satisfaction,

- **Quality of life and commitment:** QWL (quality of life at work) action plans, and local initiatives in favor of health, well-being and social, societal and civic commitment, contribute to maintaining a high level of satisfaction and motivation among teams,

- **Diversity and inclusion:** Specific actions, such as partnerships or memberships of "*Elles bougent*", "Women in Aerospace" or "Let's feminize the Aerospace professions", testify to the Group's commitment to diversity, with a particular focus on gender balance.

While respecting the Group's entrepreneurial culture and the autonomy of the divisions, LISI's human capital development policy is part of a global momentum aimed at making employees the main players in the Group's success.

For several years, two HR indicators have been used at LISI as monitoring metrics for the People focus of the CSR policy. These metrics meet LISI's challenges in terms of attracting and retaining talent.

- The resignation rate, calculated as follows: number of resignations (excluding abandonment of positions) and termination of probationary period at the initiative of the employee, divided by the number of registered employees. The target set for 2024 was 7% and was met,

- The **percentage of women among managers**, calculated as follows: number of female managers divided by the total number of managers. The target set for 2024 was

28.5%. The year ended at 28.4%, slightly below the target. The notion of manager is defined in section 3.2.5.1.

3.2.3 Impacts, risks and opportunities (IRO)

The table below shows the Impacts, Risks and Opportunities resulting from the materiality analysis concerning the issue of the working conditions of LISI employees and Human Capital.

ESRS	Issues	Impacts and Risks	Opportunities
S1	The working conditions of the own workforce include material aspects (physical constraints, resources, health conditions, etc.), organizational aspects (social dialog, working hours, pace of work, autonomy and room for maneuver, etc.), legal (right to collective bargaining, freedom of association, freedom of information, employee consultation, etc.) and psychosocial (relationships with customers, management and colleagues, sense of usefulness, etc.) in which the professional activity of the Company's direct employees is carried out.	■ Deterioration of social conditions (risk of strikes, loss of productivity, etc.), ■ Reputational impact.	■ Social and technical innovation, ■ Positive impact on the employer brand, ■ Increased productivity.
DB	Supporting employees in the transformation of their jobs.	■ Talent leak, ■ Wage increase, ■ Non-productive training time, ■ Pressure on key skills (no positions filled), ■ Deterioration of know-how with risk of loss of competitiveness or innovation.	■ Attracting talent, ■ Retaining staff, ■ Improved profitability and production, ■ Versatile staff, ■ Contributing to the employer brand.

3.2.4 Governance and resources

Each Group site has a general HR team, led by a site HR Director or Manager.

Each of the Group's divisions has one or two division HR departments, who functionally manage the network of site HR directors or HR managers and/or Business Groups.

After having ensured HR coordination for many years, mainly consisting in the sharing of information and best practices between the divisions, LISI has had a Group HR Director since 2023, who is a member of the Executive Committee. He coordinates the LISI HR Committee, which is made up of the HR departments of the divisions and Business Groups, as well as central HR specialist resources. The LISI HR Committee meets four times a year, not only to share information and best practices, but also to align with key HR initiatives to be rolled out throughout the organization.

The methodology for collecting the quantitative and qualitative HR data presented in the following chapters 3.2.5 and 3.2.6 was as follows:

- **Quantitative data:** they were filled in by local HR managers or at division level in an Excel spreadsheet structured in several thematic tabs with controls and locks, in order to guarantee the reliability of the data,
- **Qualitative data:** they were collected from local HR managers via a text file listing all the topics on which the sites were invited to share actions or initiatives deemed exemplary in terms of best practices.

3.2.5 Actions, results and targets - Human capital development

3.2.5.1 - Own workers, recruitment and staff turnover

Registered workforce

At December 31, 2024, our registered workforce amounted to 10,262, an increase of 2.5% compared to December 31, 2023.

– Registered workforce means LISI own workers on permanent, fixed-term, apprenticeship or professional training contracts.

The LISI AEROSPACE division saw an increase of 6.9% in its registered workforce in 2024.

The LISI AUTOMOTIVE and LISI MEDICAL divisions experienced slight decreases in their registered workforce, by -3.9% and -4.0%, respectively.

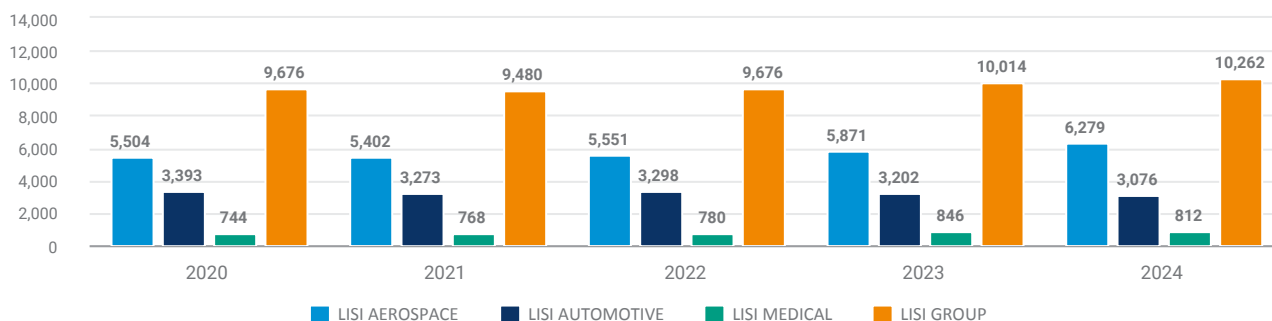
The change in the number of registered own workers since 2020 is as follows:

	2020	2021	2022	2023	2024	Change
LISI AEROSPACE	5,504	5,402	5,551	5,871	6,279	6.9 %
LISI AUTOMOTIVE	3,393	3,273	3,298	3,202	3,076	(3.9)%
LISI MEDICAL	744	768	780	846	812	(4.0)%
LISI CORPORATE	35	37	47	95	95	— %
TOTAL	9,676	9,480	9,676	10,014	10,262	2.5 %

The breakdown of own workers by division is as follows:

- 61% LISI AEROSPACE
- 30% LISI AUTOMOTIVE
- 8% LISI MEDICAL
- 1% LISI CORPORATE

Workforce evolution



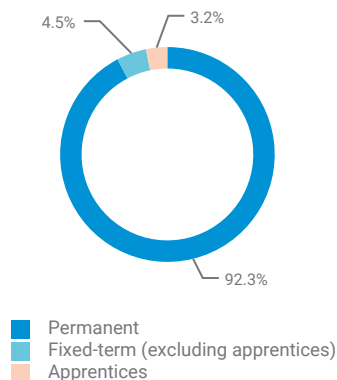
Breakdown by type of contract and gender

The number of registered employees breaks down as follows:

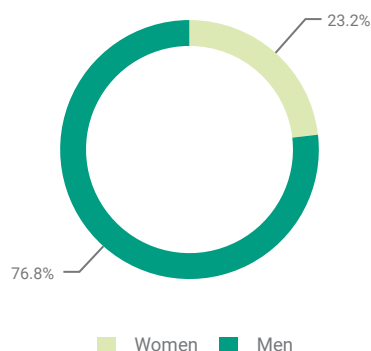
- 23.2% women and 76.8% men
- 92.3% permanent contracts, 4.5% fixed-term contracts and 3.2% apprentices

Number of listed employees, by contract type and gender	Women	Men	Total
Permanent	2,197	7,277	9,474
Fixed-term (excluding apprentices)	120	339	459
Apprentices	61	268	329
Total	2,378	7,884	10,262

Breakdown of workforce by type of contract



Breakdown of workforce by gender

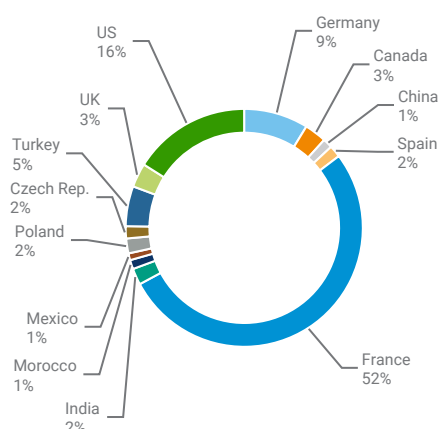


■ Breakdown by country

LISI is present in 13 countries. France represents 52.5% of the own workers, followed by the United States (16.1%), Germany (8.7%) and Turkey (5.4%). These four countries represent 82.8% of the Group's registered own workers.

Headcount	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	LISI CORPORATE	TOTAL
Germany	6	896	—	—	902
Canada	302	4	—	—	306
China	—	134	—	—	134
Spain	—	167	—	—	167
France	3,570	1,258	466	89	5,383
India	228	—	—	—	228
Morocco	88	40	—	—	128
Mexico	—	95	—	—	95
Poland	207	—	—	—	207
Czech Rep.	—	170	—	—	170
Turkey	558	—	—	—	558
UK	335	—	—	—	335
US	985	312	346	6	1,649
TOTAL	6,279	3,076	812	95	10,262

Breakdown by country



The breakdown of permanent, fixed-term contracts and apprentices by country is as follows:

	France	USA	Canada	Mexico	UK	Germany	Spain	Czech Republic	Poland	Morocco	Turkey	India	China	Total
Permanent contract	5,055	1,639	306	333	322	584	167	148	171	115	469	90	75	9,474
Fixed-term contract	79	2	0	0	1	58	0	22	36	13	89	100	59	459
Apprentices	249	8	0	0	12	22	0	0	0	0	0	38	0	329
Total	5,383	1,649	306	333	335	664	167	170	207	128	558	228	134	10,262
% on permanent contracts (CDI)	93.9%	99.4%	100.0%	100.0%	96.1%	88.0%	100.0%	87.1%	82.6%	89.8%	84.1%	39.5%	56.0%	92.3%

The breakdown of men/women by country is as follows:

	France	USA	Canada	Mexico	UK	Germany	Spain	Czech Republic	Poland	Morocco	Turkey	India	China	Total
Women	4,187	1,223	277	138	287	538	137	117	89	108	502	213	68	7,884
Men	1,196	426	29	195	48	126	30	53	118	20	56	15	66	2,378
Total	5,383	1,649	306	333	335	664	167	170	207	128	558	228	134	10,262
% women	22.2%	25.8%	9.5%	58.6%	14.3%	19.0%	18.0%	31.2%	57.0%	15.6%	10.0%	6.6%	49.3%	23.2%

■ Breakdown of executives and non-executives

Within LISI, the breakdown of managers and non-managers is one of the important aspects of HR analysis and reporting. The definition of managerial staff was reviewed in 2023 in order to better match the French concept of managerial staff on foreign sites.

Since 2023, the following are considered managers:

- In France, employees whose positions fall into employment classes 11 to 18 of the National Collective Metallurgy Agreement,

- In countries outside France, people in the following categories:

- Exempt (United States, Poland and Turkey),
- Managers, Directors and Chief Executive Officers (Canada, United Kingdom, Spain, Mexico, Czech Republic, China, India),
- Managers and Manager equivalents (Morocco),
- EG12 and off-tariff employees (Germany, Kierspe), EG13 and off-tariff employees (Germany, Heidelberg), EG14 and off-tariff employees (Germany, Mellrichstadt).

At 12/31/2024, LISI had 1,442 managers, *i.e.* 14.1% of the registered own workers.

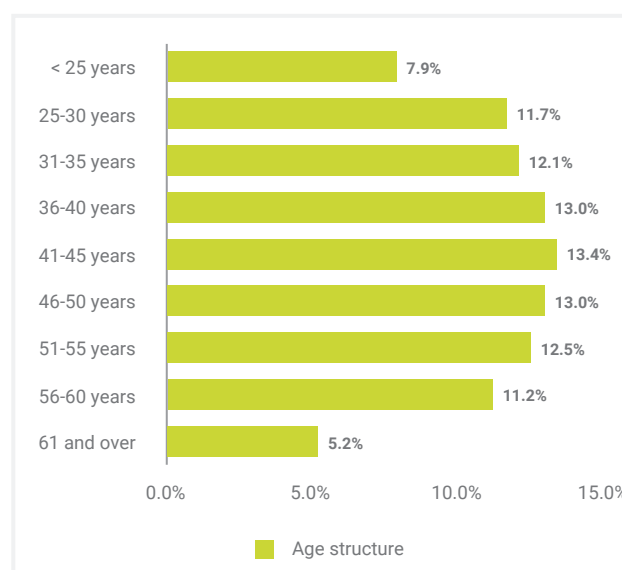
The percentage of managers by division is as follows:

	Non-Managers	Managers	% of Managers
LISI AEROSPACE	5,479	800	12.7%
LISI AUTOMOTIVE	2,627	449	14.6%
LISI MEDICAL	674	138	17.0%
LISI CORPORATE	40	55	57.9%
TOTAL GROUP	8,820	1,442	14.1%

■ Age structure

The age pyramid at the end of 2024 breaks down as follows:

- 30 years and under: 19.6%
- 31 to 40 years old: 25.1%
- 41 to 50 years old: 26.4%
- 51 to 60 years old: 23.7%
- 61 years and over: 5.2%



Age	Women	Men	Total	Proportion	Of which Women	Of which Men
< 25 years	179	634	813	7.9%	22.0%	78.0%
25-30 years	269	928	1,197	11.7%	22.5%	77.5%
31-35 years	284	962	1,246	12.1%	22.8%	77.2%
36-40 years	264	1,066	1,330	13.0%	19.8%	80.2%
41-45 years	292	1,080	1,372	13.4%	21.3%	78.7%
46-50 years	339	998	1,337	13.0%	25.4%	74.6%
51-55 years	329	952	1,281	12.5%	25.7%	74.3%
56-60 years	288	861	1,149	11.2%	25.1%	74.9%
61 and over	134	403	537	5.2%	25.0%	75.0%
TOTAL	2,378	7,884	10,262	100.0%	23.2%	76.8%

The age pyramid is as follows, by country:

	France	USA	Canada	Mexico	UK	Germany	Spain	Czech Republic	Poland	Morocco	Turkey	India	China	Total
Under 25 years	403	104	7	85	28	49	0	9	19	15	36	53	5	813
25-30 years	600	157	24	71	31	90	4	19	28	48	49	58	18	1,197
31-35 years	596	174	37	56	42	69	13	16	35	38	81	62	27	1,246
36-40 years	639	204	39	35	54	61	18	20	27	13	150	38	32	1,330
41-45 years	717	163	47	32	54	70	25	26	23	9	165	11	30	1,372
46-50 years	792	175	53	26	37	83	35	31	36	1	55	3	10	1,337
51-55 years	788	206	44	22	35	71	37	24	24	3	18	2	7	1,281
56-60 years	700	226	27	5	23	100	28	19	12	0	3	1	5	1,149
61 years and older	148	240	28	1	31	71	7	6	3	1	1	0	0	537
Total	5,383	1,649	306	333	335	664	167	170	207	128	558	228	134	10,262

■ External hires

In 2024, 1,834 external hires (fixed-term and permanent contracts) were made, breaking down as follows:

- 69.6% men and 30.4% women,
- 14% managers and 86% non-managers,
- 1,619 hires on permanent contracts (88.3%) and 215 on fixed-term contracts (11.7%).

In addition to these 1,834 employees on permanent and fixed-term contracts, 181 new apprenticeships or professional training contracts were added, bringing the total number of registered own workers to 2,015 people.

	2021	2022	2023	2024
Total permanent contracts	1,055	1,675	1,909	1,619
<i>of which permanent 'cadre' hires</i>	155	204	257	239
Total fixed-term contracts	262	420	307	215
<i>of which fixed-term contract 'cadre' hires</i>	10	31	18	17
TOTAL HIRES (PERMANENT + FIXED-TERM CONTRACTS)	1,317	2,095	2,216	1,834
<i>of which 'cadre' hires</i>	165	235	275	256
Total hires apprentices	n.d.	n.d.	149	181
TOTAL HIRES (ALL)	1,317	2,095	2,365	2,015

The 2,015 new hires compared to the registered own workers of 10,262 represent 19.7%, reflecting the associated recruitment and integration effort.

Recruitment by division is as follows:

- LISI AEROSPACE: 1,263, i.e. 62.7% of total hires,
- LISI AUTOMOTIVE: 622, i.e. 30.9% of total hires,
- LISI MEDICAL: 107, i.e. 5.3% of total hires,
- LISI CORPORATE: 23, i.e. 1.1% of total hires.

■ Staff turnover

In 2024, 1,767 registered own workers left the Group, broken down as follows:

- 1,422 employees on permanent contracts,
- 219 employees on fixed-term contracts,
- 126 apprentices (or professional training contracts).

For employees with permanent contracts (CDI), the breakdown of employee departures by reason is as follows:

End of permanent contracts, by reason, status and gender	Women		Men		TOTAL	Proportion
	Managers	Non-Managers	Managers	Non-Managers		
End of trial period at employee's initiative	7	16	6	42	71	5.0%
End of trial period at employer's initiative	3	4	8	35	50	3.5%
Resignation	24	167	72	361	624	43.9%
Job abandonment	—	85	1	104	190	13.4%
Retirement	1	27	7	82	117	8.2%
Mutually agreed termination	9	10	19	21	59	4.1%
Dismissal	9	32	18	131	190	13.4%
Transfer to another LISI site	9	10	19	12	50	3.5%
Death	—	4	2	11	17	1.2%
Other reason(s) for ending contract	—	11	2	41	54	3.8%
Total	62	366	154	840	1,422	100.0%
Proportion	4.4%	25.7%	10.8%	59.1%	100.0%	
<i>out of which voluntary departures</i>	<i>31</i>	<i>183</i>	<i>78</i>	<i>403</i>	<i>695</i>	<i>48.9%</i>
<i>Proportion over voluntary departures</i>	<i>4.5%</i>	<i>26.3%</i>	<i>11.2%</i>	<i>58.0%</i>	<i>100.0%</i>	

■ Resignation rate

The indicator monitored within LISI to assess the turnover of employees is the so-called "resignation rate".

This metric takes into account the following reasons for departure:

- Resignations,
- End of trial period at the initiative of the employee.

Not taken into account in the resignation rate, the abandonment of positions, of which 163 of the 190 that occurred in 2024, are concentrated in Mexico, where the practice is common during the first months of activity.

In addition, only departures of employees on permanent employment contracts (CDI) are included in resignation rate calculation.

Voluntary departures represented 48.9% of departures compared to 45% in 2023.

In 2024, the resignation rate (voluntary departures of registered own workers) was 6.8%, compared with a target set at 7.0%. It is a clear improvement compared to 2023.

	2021	2022	2023	2024
Resignation rate, w/o job abandonment	6.5%	8.8%	8.1%	6.8%
Nb of headcount	9,480	9,676	10,014	10,262
Nb of resignations, job abandonment not included	619	849	808	695

The resignation rate for 2024 excluding abandonment of positions by division is as follows:

- LISI AEROSPACE: 5.9%;
- LISI AUTOMOTIVE: 9.2%;
- LISI MEDICAL: 4.2%;
- LISI Corporate: 7.4%.

Resignations (excluding abandonment of positions and termination of probationary periods at the initiative of the employee) broke down as follows in 2024, by length of service on the date of notification of the resignation:



Resignations, by seniority at the notification date, by status and gender	Women		Men		TOTAL	Proportion
	Managers	Non-Managers	Managers	Non-Managers		
0 to 1 year	4	76	8	137	225	36.1 %
1 to 2 years	9	41	11	72	133	21.3 %
2 to 3 years	2	13	6	40	61	9.8 %
3 to 5 years	3	7	14	24	48	7.7 %
5 to 10 years	4	22	22	47	95	15.2 %
10 to 20 years	—	8	10	35	53	8.5 %
20 to 30 years	2	—	1	6	9	1.4 %
30 years and over	—	—	—	—	—	— %
Total	24	167	72	361	624	100.0 %

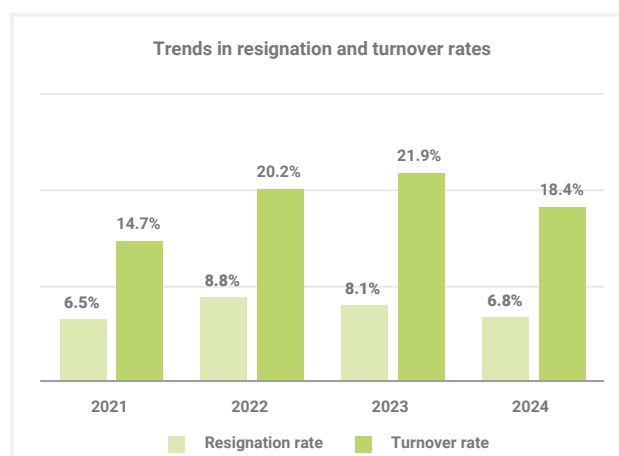
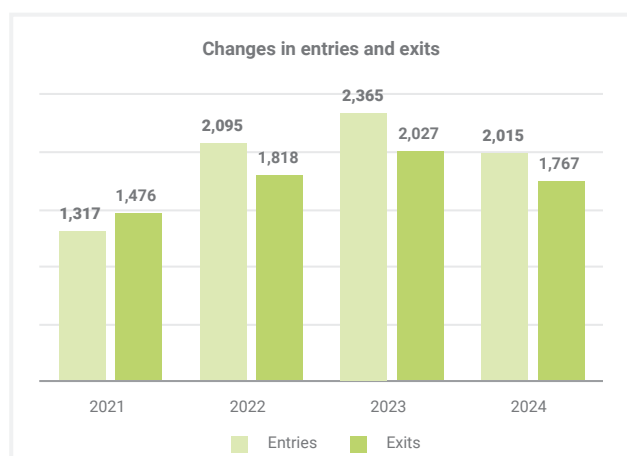
Resignations mostly occur within the first 24 months. They break down as follows:

- 36.1% in the first 12 months,
- 57.4% in the first 24 months,
- 17.5% between 2 and 5 years,
- 15.2% between 5 and 10 years,
- 9.9% beyond 10 years of service.

■ **Key figures on staff turnover:**

	2021	2022	2023	2024
Total headcount	9,480	9,676	10,014	10,262
Total departures	1,476	1,818	2,027	1,767
% of departures on headcount	15.6%	18.8%	20.2%	17.2%
Total hires	1,317	2,095	2,365	2,015
% of hires on headcount	13.9%	21.7%	23.6%	19.6%
Net balance (hires - departures)	(159)	277	338	248
Turnover rate	14.7%	20.2%	21.9%	18.9%
Total resignations (w/o job abandonment)	619	849	808	695
Resignation rate	6.5%	8.8%	8.1%	6.8%

These figures reveal the challenges of integration and the attractiveness of our organization. Hires represent 19.6% of registered employees. Departures represent 17.2% of registered employees. The turnover rate was 18.9%, down compared to 2023.



■ **Part-time work:**

At the end of 2024, 294 employees on permanent contracts were working part-time within the Group, i.e. 3.1% of the permanent contract headcount, including:

- 164 women (1.7% of employees on permanent contracts and 7.5% of women on permanent contracts),
- 130 men (1.4% of employees on permanent contracts and 1.8% of men on permanent contracts).

■ **Contingent workers:**

LISI distinguishes three types of contingent workers considered as “own workforce” within the meaning of the CSRD:

- Temporary workers,
- Interim managers,
- Service providers.

- **Temporary worker** means a person employed by a temporary employment agency and placed in a temporary position within the Company to meet a specific one-time need for personnel. These employees may also be used to replace absent employees or to help manage temporary increases in workload or activity.

- **Interim managers** are temporary professionals hired to hold executive or management positions on a temporary basis, in order to manage periods of transition, change or crisis within the organization.

Breakdown of 896 temporary FTEs, by country:

	France	USA	Canada	Mexico	UK	Germany	Spain	Czech Republic	Poland	Morocco	Turkey	India	China	Total
Temp Agency Workers FTE	680	11	—	—	2	14	3	—	—	98	—	50	38	896
Proportion	75.9%	1.2%	—%	—%	0.2%	1.6%	0.3%	—%	—%	10.9%	—%	5.6%	4.2%	100.0%

- **A service provider** is a self-employed person or a person delegated by a service provider, who directly contributes to certain activities of the site, being based full-time at the site and who performs specific work in accordance with the terms of a contract between LISI and the service provider or service provider that employs him/her. Service providers providing ancillary activities, such as office cleaning, catering or occasional external work (e.g. maintenance), are not included in this definition.

In 2024:

- The highest number of temporary workers present at the end of the month at each of the LISI sites was 1,249,
- Temporary workers represented a full-time equivalent workforce (FTE) of 896 in 2024, broken down as follows:
 - European Union (EU) sites: 697 FTEs, including 680 in France,
 - Sites outside the European Union: 199 FTEs,
- The highest number of interim managers present simultaneously on each of the LISI sites was 23; all within the EU,

The highest number of service providers present simultaneously on each of the LISI sites was 152 (130 EU, 22 non-EU).

3.2.5.2 - Attractiveness

■ Employer brand

Within LISI, many elements contribute to the employer brand, including:

- The Group's centuries-old history, purpose and values,
- Its exciting activities (aeronautics, automotive, medical), products and professions,
- Its commitments in favor of the environment, the preservation of resources and the reduction of CO₂ emissions,
- Its commitments to quality of life at work,
- Its commitments to diversity and inclusion,
- Its presence in the regions in which it operates.

As the promotion of the employer brand is essential to attract talent, the communication teams have significantly developed LISI's presence on social networks in recent years, with communications focused largely on potential candidates. The Employer showcase has also improved considerably with our collaboration with WELCOME TO THE JUNGLE.

The younger generation, particularly interns and apprentices, as well as women, are often showcased.

In 2024, LISI on social networks means:

- 10 thematic publications aimed at the general development of the employer brand,
- 4 publications relating to awards or recognitions received,
- 5 publications on the Group's history and values,
- 13 publications on the strategy, vision, key figures,
- 3 publications showcasing the women of LISI,
- 5 publications promoting our interns and apprentices,
- 8 publications specifically focused on job offers, career and recruitment page,
- 3 CSR publications.

This is without counting the publications made by the divisions on their own pages.

■ Promotion of the industry and professions

The sites regularly meet potential candidates at job fairs or forums, whether local, regional or national in scope. They regularly carry out actions to promote industrial professions, host visits (middle school students, high school students, students, etc.) and even organize open days.

Examples of initiatives or achievements in 2024:

- The Rugby site (United Kingdom) organized open houses on the occasion of the "National Manufacturing Day" for students, as well as the new mayor. They visited the facilities and discussed the possibilities offered by the industry,

- The Saint-Brieuc site (France) opened its doors to around 40 senior high school students in engineering sciences from France, Poland, Romania and Portugal, as part of the Erasmus program. Organized by the Lycée Polyvalent Chaptal de Saint-Brieuc, this visit aimed to enable students, in full reflection on their career path, to discover the industrial world and help them make informed choices for their future,

The Bologne and Chaumont sites (France) took part in an initiative launched by France Travail and the Chaumont Volleyball Club: a Volleyball match to recruit. After a morning of Volleyball with professional players, the afternoon turned into job dating with a reciprocal presentation of recruiters and candidates.

■ Internships and apprenticeships

LISI encourages the use of apprenticeships, both to attract future talent, to rejuvenate teams, and to ensure the transfer of knowledge and skills from more experienced employees to the next generation.

At the end of 2024,

- 329 apprentices or professional training contracts were present, including 181 who joined during the year. Numerous initiatives have been taken to facilitate their integration and stimulate their desire to remain with LISI. For example, LISI AUTOMOTIVE invited its apprentices from Franche-Comté to the LKI premises for a morning presentation of the company, discussions on their respective first months and activities,
- 120 apprentices have reached the end of their apprenticeship contract. Among these:
 - 19 were hired on a fixed-term contract at the end of their apprenticeship contract,
 - 19 were hired on permanent contracts,
 - i.e. a "conversion" rate of apprentices of 32%.
- LISI welcomed 545 interns in 2024.

■ Labels and awards

LISI is regularly recognized for its status as an employer by external labels or recognitions.

- For the third consecutive year, LISI received the Best Managed Company Label by Deloitte.
- The Rugby (United Kingdom) site has had the "Investors in People" label, Gold level, since March 2021. The site also received the "Make UK Regional Midlands and East" award in the Development of future talents category. In 2024, the site also received the British Association for Supported Employment Award (BASE) in the "Social Value" category. This award recognizes organizations that integrate social value at the heart of their concerns and implement tangible actions aimed at people with disabilities,

- For the third time, the Fuenlabrada (Spain) site received the family-friendly company award from the CIFE (Department of Economic Development, Employment, Commerce and Industry of the City of Fuenlabrada).
- For the sixth consecutive year, the Shanghai site (China) received the title of Shanghai “Company with harmonious social relations”,
- The Bologne site (France) received the Professional Training Trophy from the *Union des Industries et des Métiers de la Métallurgie* (Union of Metal Industries and Professions), in the “Employee Training” category, recognizing the site’s ongoing efforts in the training of its forgers and machinists,
- At the *Gala de l’Industrie de l’Aube*, organized by UIMM Champagne-Ardenne, the Bar-sur-Aube site (France) was awarded the “apprenticeship trophy”,
- The Saint-Ouen-l’Aumône site was awarded the *Trophées de l’Égalité des Chances* and *Palme Partenariales* awards. This award recognized the site’s inclusive commitment in partnership with the GEIQ Industrie 95 (*Groupe d’Employeurs pour l’Insertion et la Qualification*). As part of this partnership, the site welcomed four unemployed employees on a work-study basis for a period of 12 months. These work-study students undergo training to obtain a CQPM (certificate of equivalent qualification in metallurgy) as a set-up operator on numerically controlled machines.

■ School relations

Attracting talent requires LISI to be close to the schools and universities where future talents are trained, and to make itself known to students before they choose their first company and/or first job.

LISI encourages each of its sites to maintain structured partnerships with schools or universities in line with its business lines and its recurring recruitment needs:

- LISI AUTOMOTIVE has maintained a partnership relationship with ESTA (*École Supérieure des Technologies et des Affaires*) in Belfort since 2019. The agreement was renewed for 3 years in 2022.
- In June 2024, the Bologne and Chaumont sites (France) strengthened their partnership with the Metaltech school, specializing in the training of the machinists of tomorrow, of which Bologne and Chaumont have been partners for two years now.

■ Co-optation

Co-opting provides access to candidates that are complementary to those available through other recruitment methods. Co-opting is carried out at around ten sites in France, as well as in the following countries: United States, Canada, United Kingdom, Turkey, Poland and Mexico.

Several sites grant co-opting bonuses to their co-opting employees. The bonuses are either a fixed amount or according to the level or grade of the post in question. Some sites open the possibility of co-opting to all hires, regardless of the position. Other sites reserve it for positions or functions experiencing the greatest recruitment difficulties.

- In 2024, 161 positions were filled by co-option, *i.e.* 8.8% of hires. The most numerous operations were carried out at the following sites: Izmir (35), Rugby (26), Saint-Ouen-l’Aumône (24), Torrance (16), Monterrey (16) and Dorval (12).

3.2.5.3 - Training, skills and talent management

■ Skills development and training

LISI is committed to ensuring that each employee, regardless of their age and position, has access throughout their career to the skills development and/or training actions necessary for the effective performance of their workstation and the achievement of his/her career in the company.

We consider that while training, in the traditional sense of the term, plays an important role, skills development is not limited to it and encompasses a range of methods, including:

- Mentoring;
- Coaching by line manager or peers;
- Individualized support;
- Assignment of demanding tasks or projects;
- Knowledge sharing by colleagues, management, experts.

LISI devotes significant resources to skills development. In 2024, on all sites, 177,234 hours of training were carried out, broken down as follows by divisions: LISI AEROSPACE: 123,644 hours; LISI AUTOMOTIVE: 44,345 hours; LISI MEDICAL: 8,610 hours; LISI CORPORATE: 635 hours.

The breakdown between men and women is as follows:

- Men: 131,485 hours (74.2%),
- Women: 45,749 hours (25.8%).

The investment represented an amount of nearly €5.5 million in 2024. It was €5.9 million in 2023 and €5.3 million in 2022.

In 2024:

- Permanent and fixed-term employees received an average of 17.3 hours of training over the year;
- 9,279 permanent and fixed-term employees, *i.e.* 90.4% of them, received at least one training course.

The summary of training data is presented in the following table:

Training statistics	2021	2022	2023	2024
Nb of training hours	167,929	154,691	220,472	177,234
Training expenses	5,253,718	5,372,877	5,905,866	5,490,155
Nb of headcount trained	7,297	9,668	10,700	9,279
Nb of hours by employee trained	23.0	16.0	20.6	19.1
Expenses per employee trained	720	556	552	592
% of women in training hours	nd	22.9%	19.1%	25.8%

■ LKI, the corporate university of the LISI Group

LISI has had its own corporate university called LKI (LISI Knowledge Institute), since 2021, based at the Group's head office in Grandvillars. The purpose and mission of LKI are to:

- deploy LISI's culture and managerial vision within the Group,
- support employees in their career development,
- contribute to the technical, functional and organizational excellence of the Group and its subsidiaries,
- support the deployment of LISI structuring programs (LEAP, E-HSE, COS).

LKI is as a pillar of the strategy for developing employee skills within the Group. It is also a major talent loyalty tool.

LKI offers a catalog of 36 training courses, including the flagship management and leadership training programs:

- **Take-off** (fundamentals of local management),
- **Boost** (advanced level management), and
- **Expand** (leadership development program to develop the leaders of tomorrow).

The Take-off and Boost programs are offered in France, and also in the United States. Initially reserved for American managers of the AEROSPACE division, they have also been available since 2024 at the American sites of the LISI AUTOMOTIVE and LISI MEDICAL divisions.

LKI, in 2024, is:

- 464 interns (538 in 2023, 593 in 2022, 704 in 2021),
- 68 sessions (81 in 2023, 89 in 2022, 89 in 2021),
- 9,926 hours of training (9,153 in 2023, 10,170 in 2022, 10,693 in 2021).

■ Other training schools

Aware of the specificities of its business lines, LISI encourages the Group's sites to develop their own internal training schools.

- In 2021, Parthenay (France) opened an in-house school providing machining training for site employees and external individuals. This internal training school is Qualiopi certified.

- The Bologne site (France) also has an in-house machining school, led by an expert in technical training and machining. This school contributes to the certification training of external candidates and site employees, leading to the obtaining of a CQPM (Certificate of Equivalent Qualification in Metallurgy) as a machine operator. In 2024, 15 people graduated, 12 new people joined this course in October 2024, with a view to obtaining the CQPM in July 2025,
- The Heidelberg and Kierspe sites (Germany) also have vocational training centers reserved for apprentices, which receive technical training, like those of the French vocational schools.

■ LISI transversal skills

LISI has developed a Group professional skills and behavior model called "LISI transversal skills". These LISI transversal skills describe the way (the "how") individual and collective results must be achieved.

The application of these professional skills and behaviors is expected on a daily basis from all Group employees, regardless of the tasks and responsibilities exercised.

LISI has 10 cross-functional skills:

1. communication,
2. leadership,
3. personal commitment,
4. teamwork,
5. development of others,
6. continuous improvement,
7. customer focus,
8. results focus,
9. exemplarity,
10. technical/functional excellence.

■ Development and recognition of expertise

In 2019, the LISI AEROSPACE and LISI AUTOMOTIVE divisions launched a joint approach called Expert Network, aimed at identifying and recognizing experts in the R&D, scientific and technical sectors. This network aims to facilitate cross-functional collaboration between specialists within and between the divisions.

In 2024, the development of the network of experts continued. 12 LISI AEROSPACE sites organized recognition and graduation ceremonies for new experts or senior experts. The LISI AEROSPACE network of experts has 117 experts or senior experts, while that of the LISI AUTOMOTIVE division has 82. The experts are divided into technical communities covering nine areas of expertise: automation, machining, forming processes, surface treatment, materials & heat treatment, maintenance, control & inspection, digital simulation and design.

■ Talent management

Within LISI, talent management, career development and mobility are based on three main processes:

- Annual and professional interview;
- The People review;
- The job exchange.

1 - Annual and professional interview

LISI considers it essential that at least once a year each employee has the opportunity to have a face-to-face meeting with his or her line manager. This interview provides an opportunity to take stock of individual performance, any skills development needs, professional and career development aspirations, any difficulties in the workplace and the means to remedy them. Individual performance is assessed by considering both the results obtained and the manner in which the results are achieved.

In 2024:

- 7,058 employees, or 68.8% of registered employees, benefited from an individual assessment interview,
- 4,474 employees, or 43.6% of registered employees, benefited from a professional or career interview.

2 - People Review

The People Review is a process by which the Group's management up to the site level ensures that it has the key people necessary for the success of the year Y+1 budget and the strategic plan. Action plans are developed to correct any discrepancies. The People Review makes it possible to ensure the robustness of the organization in terms of successions, potential, skills and to consider possible mobility.

3 - Job exchange

The job exchange is a tool that enables employees wishing to develop their careers to find out about available positions within the Group and to apply for them. Since 2022, the WELCOME TO THE JUNGLE platform, both a LISI digital showcase and a platform for the external dissemination of job offers, has also become the LISI job exchange. It is planned in 2025 to replace WELCOME TO THE JUNGLE platform by a career page on the LISI group website.

■ Promotion

In 2024, 500 employees on permanent and fixed-term contracts were promoted, including 42 accompanied by a transition to the managerial category.

Note the exemplary initiative launched by LISI AEROSPACE in 2024 in terms of talent management. This approach, called "Talking Talent", is based on a unique and strong collaboration between site management and HR. The approach is based on four main steps that form a continuous virtuous cycle:

- Identification of key and/or critical positions in existing and future organizations;
- Identification of talents within these organizations;
- Preparation of succession plans for all key and/or critical positions;
- Personalized action plans to develop talents and/or successors and support them towards the key positions to be secured.

This approach serves as an example of excellence in talent management within the Group, offering other divisions the opportunity to draw inspiration from it in the coming years.

3.2.5.4 - Diversity and inclusion

Within LISI, we promote a work environment that is inclusive and open to all. Each employee must be able to feel “at their place” within the Group regardless of their origin, age, sexual identity or orientation, or whether or not they have a disability. All employees must be treated fairly and without discrimination in terms of recruitment, compensation, benefits and career progression.

In France, in 2022, 100% of HR managers and managers involved in the recruitment process were trained in non-discrimination in hiring. This training has been provided to newcomers since then. A similar training course, in English, was designed in 2024 and will be provided in 2025 to all members of the Management Committees of the Group's foreign sites.

Gender diversity

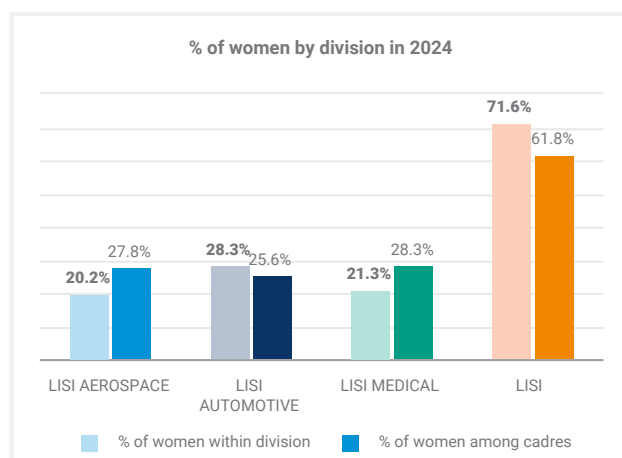
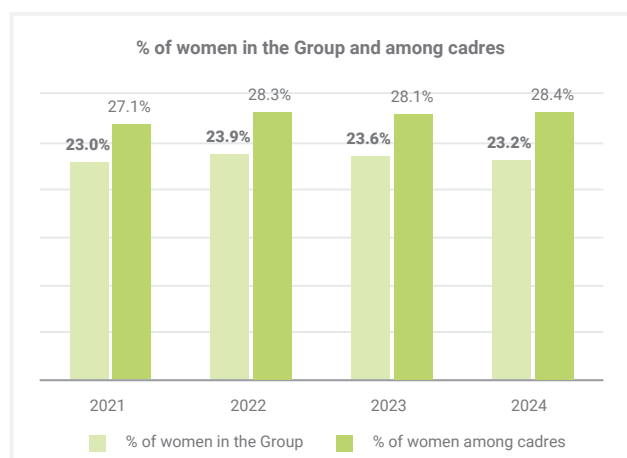
LISI's efforts in terms of gender diversity focus on the following areas:

- Increase the proportion of women in the organization;
- Promote equal opportunities;
- Fight against gender disparities to achieve professional equality among men and women;
- Fight against the stereotypes attached to the notion of “female” or “male” jobs;
- Display clear progress targets that enable all management teams to be on board.

The Group is composed of 23.2% women and 76.8% men. The proportion of women in the group decreased slightly in 2024.

% women	2021	2022	2023	2024
% of women within LISI	23.0%	23.9%	23.6%	23.2%
% of women among cadres	27.1%	28.3%	28.1%	28.4%

The percentage of women among managers was 28.4% at the end of 2024, against a target that had been set at 29.0%. The representation of women among managers remains higher than the overall percentage of women within the Group.



The percentage of women in management positions is as follows by division:

	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	LISI CORPORATE
% of women within division	20.2%	28.3%	21.3%	71.6%
% of women among cadres	27.8%	25.6%	28.3%	61.8%

Statistics on gender diversity by country at end 2024 are as follows:

% by country	Women	Men	% of women among cadres
Canada	9.5%	90.5%	25.0%
China	49.3%	50.7%	45.0%
Czech Rep.	31.2%	68.8%	44.4%
France	22.2%	77.8%	29.3%
Germany	19.0%	81.0%	13.0%
Morocco	15.6%	84.4%	50.0%
Mexico	58.6%	41.4%	15.4%
Poland	57.0%	43.0%	40.0%
Spain	18.0%	82.0%	36.4%
Turkey	10.0%	90.0%	26.5%
India	6.6%	93.4%	—%
United Kingdom	14.3%	85.7%	26.7%
United States of America	25.8%	74.2%	27.8%
TOTAL	23.2%	76.8%	28.4%

■ Recruitment and departures of women

LISI encourages all its sites to increase the efforts made to hire women in jobs predominantly held by men and the recruitment of female managers.

All positions and business lines combined, in 2024, women represented:

- 30.4% of hires on permanent or fixed-term contracts,
- 31.6% of managers hired on permanent or fixed-term contracts.

Both these rates are higher than the current representation of women.

Proportion of women	2024
Hires – Women on permanent contracts	495
of which cadres	75
Hires - Women on fixed-term contracts	62
of which cadres	6
TOTAL HIRES OF WOMEN	557
of which cadres	81
% of women among hires (permanent + fixed term)	30.4%
% of women among new cadres (permanent + fixed term)	31.6%

In 2024, women represented:

- 30.3% of the end of permanent and fixed-term contracts,
- 31.6% of the end of permanent contracts and fixed-term contracts for managers.

With regard to resignations (excluding abandonment of positions and end of probationary periods at the initiative of the employee):

- 30.6% of these resignations concerned women in 2024,
- 69.4% concerned men.

In 2024:

- 8.7% of women on permanent contracts resigned (resignations, excluding abandonment of positions and end of probationary period at the initiative of the employee), compared to 6.0% of men on permanent contracts,
- 6.0% of women managers with permanent contracts resigned (resignations, excluding abandonment of positions and end of probation periods at the initiative of

the employee), compared to 7.1% of male managers with permanent contracts.

■ Development and promotion of women

Out of all 9,279 people in the group on permanent or fixed-term contracts who received training in 2024:

- 2,349, i.e. 25.3% of people trained, were women,
- 6,930, i.e. 74.7% of the people trained, were men,
- 25.8% of training hours benefited women; 74.2% benefited men,
- 19.7 hours of training on average for women compared to 17.3 hours for men.

In 2024:

- Of the 500 people who benefited from a promotion: 21.8% were women and 78.2% were men.
- Of the 42 transfers to the manager category: 31.0% concerned women and 69.0% men.

Promotions to 'cadre' status	2024
Total number of promotions to 'cadre' status	42
Out of which promotion of women to 'cadre' status	13
% of women among promotion to 'cadre' status	31.0%

In proportion to their presence in the Company and in the manager category, women:

- were on average less promoted than men in 2024,
- benefited on average more from the transition to the manager category than men in 2024.

■ Gender equality index

In France, the Group's companies publish their gender equality index every year.

All the sites for which the gender equality index can be calculated obtained a score greater than or equal to 79% in 2024.

Entity	2022	2023	2024
BAI (Saint-Ouen l'Aumône, Vignoux sur Barangeon, Villefranche de Rouergue)	88%	88%	88%
Forged Integrated Solutions (Bar sur Aube, Bologne, Parthenay)	82%	87%	86%
Creuzet (Marmande)	87%	87%	87%
Blanc Aero Technologies	Non calculable	Non calculable	Non calculable
LISI AEROSPACE SAS	86%	89%	89%
LISI AUTOMOTIVE SAS	75%	77%	79%
L.A. Rapid (Puisseux)	76%	79%	86%
L.A. Former (Delle, Dasle, Grandvillars, Lure, Melisey)	89%	89%	89%
L.A. Nomel (La Ferté Fresnel)	93%	91%	88%
L.M. Orthopaedics (Hérouville)	87%	85%	92%
L.M. Fasteners (Neyron)	Non calculable	Non calculable	Non calculable

■ Combatting gender stereotypes

LISI acts to combat the unconscious stereotypes and biases that influence decisions and behaviors.

LISI endeavors to showcase women who occupy scientific and technical professions, particularly in its communications on social networks, thus combating the assumptions that certain professions tend to be reserved for men and others for women.

In the same vein, LISI has created with the association "*Elles Bougent*", a group of 60 LISI "godmothers". Their role is to promote industrial careers internally as well as externally among secondary school and high school students.

- The "godmothers" at the Villefranche-de-Rouergue site (France) welcomed secondary school students,
- The "godmothers" of the Ayguemorte-les-Graves site (France) welcomed 15 high school students from the Lycée de la Mer in Gujan-Mestras for a site visit and to discover the diversity of professions and processes,
- LISI AEROSPACE took part in the 4th edition of the event "*Elles bougent pour l'orientation*", which mobilized 2,600 "*Elles Bougent*" godmothers to share their experiences and inspire future generations. During this event, the Director of R&T Engine Components and Structure at LISI AEROSPACE met high school students from the Lycée Louis Pasteur in Neuilly-sur-Seine (France) to present her job and her career,
- In order to both promote women and launch a call for applications for future "*Elles Bougent*" godmothers,

LISI AUTOMOTIVE organized and offered, in September 2024, a conference to all employees of its head offices in Delle and Grandvillars (France) led by a female HR consultant and trainer with an inspiring career path.

Other initiatives carried out in 2024 to combat gender stereotypes and promote the industry to women:

- In the United States and Canada, the Torrance, Garden Grove, City of Industry and Dorval sites are members and/or participate in events organized by the association "Women in Aerospace".
- In France, LISI AEROSPACE has been participating since 2024 in the aeronautics sector initiative called "Let's feminize the aeronautics and space professions". In this context, the Saint-Ouen-l'Aumône (France) site welcomed high school girls from the Lycée Jean Jaurès d'Argenteuil. On the agenda: presentation of the aeronautical professions, guided tour of the plant to discover industrial processes, enriching discussions with expert female employees. The charter "Let's feminize the aeronautics and space professions", created by Airemploi Espace Orientation, formalizes LISI AEROSPACE's commitment to have an active policy promoting professional diversity and to share its best practices with other players in the sector,
- The Beyssac site (France) took part in the "Industri'Elles" meeting led by Val de Garonne Agglomération. The objective of this day is to show that the industry "also concerns women". On this occasion, Sandrine, Methods Technician at the Beyssac site, was showcased in a video broadcast for several weeks in local cinemas,

– In November 2024, the Saint-Ouen-l'Aumône site (France) hosted the media outlet *"Les Meufs de l'Industrie"*, which aims to make the industry more feminine by breaking the rules, notably through short and powerful videos. This visit was accompanied by the shooting of several video testimonials of inspiring women on the site.

■ Proportion of women in management bodies

The proportion of women in the Group's two management bodies has changed as follows over the last five years:

– Executive Committee:

- 2020: 12.5% (8 members, 1 woman and 7 men),
- 2021: 12.5% (8 members, 1 woman and 7 men),
- 2022: 22.2% (9 members, 2 women and 7 men),

- 2023: 20.0% (10 members, 2 women and 8 men),
- 2024: 20.0% (10 members, 2 women and 8 men).

– Leadership Board:

- 2020: 17.4% (23 members, 4 women and 19 men),
- 2021: 17.4% (23 members, 4 women and 19 men),
- 2022: 20.8% (24 members, 5 women and 19 men),
- 2023: 20.0% (25 members, 5 women and 20 men),
- 2024: 20.0% (25 members, 5 women and 20 men).

LISI is continuing its efforts to strengthen diversity within its management teams, with the aim of gradually increasing the representation of women in its management bodies.

■ Inclusion of young people and seniors

The inclusion of young people and seniors is a veritable societal challenge. At the end of 2024, LISI as a whole had

19.6% of registered own workers aged 30 and under, 28.9% aged over 51 and 16.4% aged 56 and over.

Number of listed employees (permanent, fixed-term and apprentices) by age groups, status and gender	Women		Men		TOTAL
	Managers	Non-Managers	Managers	Non-Managers	
< 25 years	11	168	31	603	813
25-30 years	67	202	147	781	1,197
31-35 years	69	215	136	826	1,246
36-40 years	61	203	141	925	1,330
41-45 years	68	224	147	933	1,372
46-50 years	55	284	126	872	1,337
51-55 years	31	298	129	823	1,281
56 - 60 years	30	258	123	738	1,149
61 years and over	18	116	52	351	537
Total	410	1,968	1,032	6,852	10,262

In the recruitment process, young and senior candidates have their place like any other candidate. In 2024:

– the number of permanent hires of employees of 30 years and under was 706, i.e. 43.6% of permanent hires;

– the number of permanent hires of employees aged 56 and over was 81, i.e. 5.0% of permanent hires.

Permanent status hire by age, status and gender	Women		Men		TOTAL
	Managers	Non-Managers	Managers	Non-Managers	
< 25 years	3	91	19	216	329
25-30 years	23	82	35	237	377
31-35 years	15	71	19	156	261
36-40 years	5	57	18	119	199
41-45 years	10	48	25	77	160
46-50 years	8	23	15	59	105
51-55 years	7	32	14	54	107
56 - 60 years	3	13	15	26	57
61 years and over	1	3	4	16	24
Total	75	420	164	960	1,619

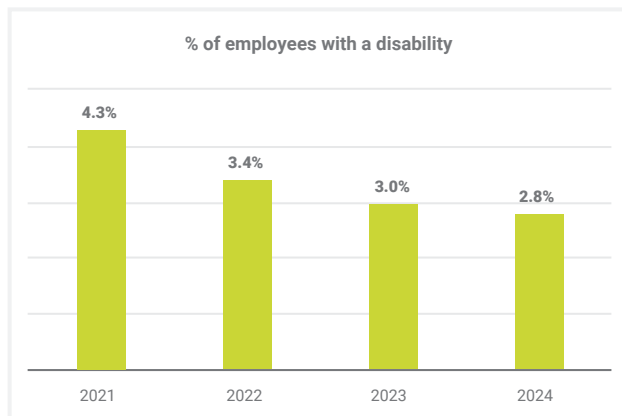
■ Inclusion of people with disabilities

The inclusion of people with disabilities is not only a social and societal responsibility. By helping to develop and nurture an inclusive culture, it promotes openness to others and caring, and contributes to diversity, a guarantee of creativity and innovation.

People with disabilities have their place in the recruitment process.

	2021	2022	2023	2024
% of employees with a disability	4.3 %	3.4 %	3.0 %	2.8 %

In addition to the hiring and retention of workers with disabilities, several LISI sites in France and abroad entrust part of their activities to work-assistance establishments and services (ESAT). This is notably the case for the Saint-Brieuc and Saint-Ouen-l'Aumône (France) and Fuenlabrada (Spain) sites.



At the end of 2024:

- LISI has a total of 291 employees recognized as disabled workers, which represents 2.8% of the registered workforce. This rate has been declining steadily since 2021,
- LISI has 197 employees recognized as disabled workers in France, i.e. 3.7% of the registered workforce.

In 2024:

- The Saint-Ouen-l'Aumône and Saint-Brieuc sites (France) took part in Duo Day, a one-day professional discovery internship offered to people with disabilities, also aimed at combating prejudice in the workplace. The Saint-Brieuc site welcomed one person with a disability, the Saint-Ouen-l'Aumône site welcomed six. On the agenda: presentation of the company, visit of the plant and formation of duos (person with a disability & a LISI employee) for a discovery of the profession,
- The Rugby site (United Kingdom) has created a partnership with the "Warwickshire Supported Employment Service", an organization that encourages employers to consider hiring adult apprentices with learning disabilities. The site welcomed, for a trial period, four adults and adapted their tasks, in order to make the work more inclusive. This resulted in two permanent hires.

■ Diversity of nationalities

The Group is present in 13 countries. All members of the Executive Committee have French nationality.

Within the Leadership Board, 16% have American nationality and 84% have French nationality.

3.2.5.5 - Positive contributions to the community and territories

LISI encourages all its sites to take positive action in the regions in which they operate, in particular actions in favor of young people, education, and people or groups of people in difficulty. LISI also encourages its sites to support the commitment of their employees in public interest, health, humanitarian or charitable missions, as well as the commitment of their employees in national defense or the security of property and people.

■ Support for defense and security forces

The National Guard, created in France in 2016 after the attacks of 2015, brings together the operational reserves of the Armed Forces, the *Gendarmerie* and the civilian reserve of the National Police. The support of employers is essential to enable the mobilization of reservists. In March 2022, LISI renewed its commitment for five years, increasing the number of days of annual reserve during working time from 8 to 15 days, with compensation maintained (excluding pay). For reserve periods of up to

eight days, LISI grants a notice period of three weeks instead of four. This support gives it the status of "Defense partner".

In 2024,

- In France, LISI had 6 operational reservists from the armed forces, the *Gendarmerie*, or the National Police.
- Abroad, LISI had 25 employees committed to the operational reserve of the defense and security forces of their country.

LISI took part in the "National Reservists Day" in Belfort, an annual event promoting the commitment of reservists in the armed and internal security forces. Organized by the Departmental Military Delegation and the University of Franche-Comté, the event aimed to bring together students, reservists (armed forces, *Gendarmerie*, Police) and companies.

Finally, in July 2022, the Group signed the first ProMilès Manifesto with the Major General of the French Armies. Since then, it has participated in numerous events aimed at bringing civil and military worlds closer together.

■ Support provided to the rescue forces

In France, the employees of twelve sites are supported in their commitment as volunteer firefighters.

At the end of 2024, 31 French employees and 8 foreign employees were engaged in rescue and assistance. The Carpète, Beyssac and Villefranche-de-Rouergue sites have signed a support agreement with their respective departmental fire and rescue services.

■ Commitments to education and inclusion

Since 2021, LISI has been a member of the “*Les entreprises s’engagent*” (Companies commit) scheme, which is the result of an alliance between public authorities, companies and integration players, aiming to act in favor of a more inclusive society.

For example, LISI AUTOMOTIVE took part in the “Mix & Match” event in Delle. This initiative aimed to promote professional equality and enable women seeking employment to discover traditionally male jobs.

■ Charitable, humanitarian and/or solidarity commitments

Numerous LISI sites regularly participate in “Octobre Rose”, in favor of the fight against breast cancer in various ways:

- *Sporting events*: The Vignoux-sur-Barangeon site (France) took part in the “*Foulées Roses du Berry*”. Those in Bologne and Chaumont (France) supported the Rose Chaumont Trail. The Izmir (Turkey) basketball team played a match wearing pink outfits,
- *Donations to non-profit organizations*: The City of Industry (USA) site took part in the event “Making strides against breast cancer” and donated USD 485. The Rugby site (United Kingdom) took part in “Wear It Pink” to raise GBP 377 for cancer research. In Neyron (France), €363 was raised for the Ruban Rose association,
- *Awareness and screening*: Three LISI sites carried out breast cancer awareness actions: Beyssac with a municipal representative trained in screening, Rzeszów by the distribution of pink ribbons and information on screening, and Villefranche-de-Rouergue with an intervention of the Brain Up association on women's health,
- *Wearing pink*: At the Torrance site (USA), employees wore pink in support every Wednesday in October.

Other solidarity initiatives in 2024:

- Rzeszów (Poland): collection of donations for the children of the local hospital,
- Neyron (France): participation of 14 employees in the Course des Lumières against diabetes,
- Saint-Ouen-l’Aumône (France): 30 employees involved in a race to support the Telethon and the Handi Rêveurs association,
- Bologne and Chaumont (France): collection of around 100 toys for *Secours Populaire*.

3.2.6 Actions, results and targets - Working conditions and well-being of employees - excluding health and safety

3.2.6.1 - Well-being, commitment, quality of life and prevention at work

■ Vision and strategy sharing

Employee commitment requires them to understand the Company’s situation, the vision of the future and the strategy developed to achieve this vision. This applies to LISI as a whole, from Group to site level.

The vision and strategy are presented annually to employee representative bodies and to all employees.

The strategy is presented in a variety of forms, ranging from information meetings for all staff to meetings in small groups, workshops, or departments.

■ Quality of life at work

Quality of life at work (QLW) as perceived and appreciated by employees is an essential factor of commitment and retention. LISI has set up an annual Quality of Life at Work (QLW) assessment process at all its sites.

A questionnaire is sent to all employees, all sites and all countries. It covers all topics relating to quality of life at work:

- 21 questions asked: The questionnaire was simplified from 42 questions until 2023 to 21 questions in 2024. It has become more relevant,
- 68% participation rate in 2024 for a target set at 70%. It was 71% in 2023, and 69% in 2021.

- 82% satisfaction rate in 2024 for a target of 70%. It was 76% in 2023, and 75% in 2022. The satisfaction rate is measured by the questionnaire by adding the “Agree” and “Strongly agree” responses. The increase in satisfaction in 2024 should be put into perspective due to the modification of the questionnaire.

The annual QLW process is divided into two parts:

1. Analyzes and actions following the questionnaire:
 - Analysis of the results by the management of each site,
 - Possible organization of discussion groups,
 - Implementation of targeted actions (3 to 5 actions).
2. Initiatives for well-being at work throughout the year:
 - “QLW week” in June (2 weeks): various activities (yoga, sport, well-being workshops, conviviality, food truck, football tournament, muscle building, cooking workshop, etc.),
 - One-off actions carried out by the sites. The City of Industry (USA) site consulted its employees with a view to a possible adjustment of the start times of shift teams. The Rzeszów site (Poland) organized a friendly picnic for employees and their families. The Neyron site (France) offered its employees a sporty and gourmet experience thanks to “smoocyclettes”, smoothie bikes equipped with blenders,
 - The central LISI communication team renewed the traditional global competition for the most beautiful group photos in Christmas jumpers,
 - LISI Global Services (Grandvillars, France) organized an escape game activity.

■ Internal communication

Effective internal communication creates a working environment where employees feel well informed and considered, which are necessary conditions for engagement. LISI has set up two main internal communication tools to keep its employees informed:

- The Group intranet “Intralinks”,
- The digital medium “LISI & You”, accessible via Intralinks and emails for staff equipped with LISI equipment and the FABRIQ application, a digital solution used at almost all sites.

■ Quality of management

The quality of management strongly influences the perception of employees and their commitment. This is one of the determining factors for retention.

LISI promotes “benevolent management”, listening to employees. To develop these managerial skills, the company offers, through LKI, several training courses, videos, or e-learning aimed at developing managerial skills, such as: Take-off, Boost and Expand.

Other initiatives were carried out at the sites in 2024:

- The Beyssac site (France) trained its managers in the prevention of psychosocial risks,

- The one in Carpète (France) trained its managers in labor law and organized workshops to discuss their managerial practices,
- At the Izmir site (Turkey), coaching sessions in leadership, communication and managerial skills were set up to help managers,
- The Lake Zurich, Big Lake and Coon Rapids (USA) sites trained their managers and supervisors with the LKI Take-off session,
- LISI AUTOMOTIVE strengthened its managerial approach in 2024 through two actions: the renewal of the e-learning training on benevolent management for all its managers and a two-day face-to-face training for French managers on management adaptation and collective performance.

■ Effective problem solving and staff involvement

There is nothing that is more demotivating than a work environment marked by numerous dysfunctions and the absence of problem-solving.

Since the early 2010s, as part of the LEAP structuring program (LISI Excellence Achievement Program), LISI has rolled out a PSM (Problem Solving Management) process on all its sites to effectively solve operational problems on the 6 levels of the organization:

- PSM1: Autonomous Production Group (APG) organization that meets daily,
- PSM2: Workshop Level/APU (Autonomous Production Unit),
- PSM3: Plant Level,
- PSM4: Business Group Level,
- SHP5: Division Level,
- PSM6: Group Level.

Deviations from standards and problems that cannot be resolved by the original level are escalated to the next level if necessary.

The process, initially managed on physical media, is now digitalized via the FABRIQ solution which facilitates the collaborative exchange of data and indicators between the different levels of the organization.

At the end of 2024, 39 LISI sites and 630 teams, manage their PSM under FABRIQ.

■ Work-life balance

LISI promotes work-life balance by recognizing the right to disconnect. The Company offers flexible hours and remote working to employees whose positions allow it, in countries where these practices are legally and culturally established. In 2024, 1,833 employees, i.e. 17.9% of registered own workers, benefited from the possibility of remote working at least partially.

- 690 women, i.e. 6.7% of registered employees and 29.0% of registered employee women,
- 1,143 men, i.e. 11.1% of registered employees and 14.5% of registered employee men.

2,261 employees, i.e. 22.0% of registered employees, benefited from the flexibility of personal organization offered by flexible working hours, including:

- 721 women, i.e. 7.0% of registered employees and 30.3% of registered employee women,
- 1,540 men, i.e. 15.0% of registered employees and 19.5% of registered employee men.

■ Prevention of psychosocial risks

LISI places the prevention of psychosocial risks (PSR) at the heart of its HR policy, considering that it is a collective responsibility. The Company's Code of Conduct requires:

- Respectful behavior between colleagues,
- Prohibition of offensive remarks or acts, even in the form of a joke,
- Prohibition of any form of harassment, discrimination or violence in the workplace.

Every member of the organization must contribute to maintaining a positive working atmosphere.

LISI offers various psychological assistance systems depending on the country:

- In France: Workplace Options Service (WPO) offering up to 12 hours of consultation (34 beneficiaries in 2024); Sunshine-me platform at LISI AEROSPACE to help employees and their families in case of psychological suffering,
- In North America: Employee Assistance Program (EAP) offering psychological support, financial and legal advice to employees,
- In Turkey: Employees at Izmir benefit, through their health insurance, from the possibility of a psychological assistance consultation if necessary.

■ Prevention of moral or sexual harassment

No employee may be subject to physical or verbal violence, intimidation or any other form of moral harassment.

LISI prohibits sexual advances and any physical contact deemed unwelcome, gestures or comments, and the dissemination of information or documents with a sexual connotation.

These provisions prohibiting any moral or sexual harassment are an integral part of the LISI Code of Conduct. Any breach of these provisions must be reported to the appropriate hierarchical level. Employees also have the option of making a report via the whistleblowing system available on the Group's website. They may also contact an external authority directly.

Each report must be investigated and, if necessary, sanctioned, up to and including dismissal.

The non-retaliation policy protects people who in good faith are subject to moral or sexual harassment.

In 2024, the following were reported:

- 16 cases of moral harassment,
- 6 cases of sexual harassment.

A case refers to a legal action or a complaint filed against the company or with the competent authorities through an official procedure, or a report via the LISI whistleblowing system.

Of the 16 cases of moral harassment that were investigated:

- 11 were closed after an investigation that did not confirm the existence of moral harassment,
- 4 were closed after action and/or compensation following an investigation that confirmed the existence of moral harassment,
- 1 is still under investigation or proceedings.

Out of the 6 cases of sexual harassment that were investigated:

- The 6 were closed after an investigation that did not confirm the existence of sexual harassment.

In 2024, the following were paid in the entire group, at the initiative of the company or following a decision by an external authority or the courts:

- €12,065 in fines and/or damages following moral harassment;
- No fines and/or damages as a result of sexual harassment.

■ Prevention of discrimination

In accordance with the Global Compact, the LISI Code of Conduct in place since 2023 prohibits all forms of discrimination and stipulates that decisions can only be made on the basis of legitimate criteria, such as the qualifications or skills of people, and in no way on the basis of age, gender, religion, ethnic origin, state of pregnancy, disability, sexual orientation or any other characteristics protected by the applicable law.

In 2024, there were 3 reported cases of discrimination.

A case refers to a legal action or a complaint filed against the company or with the competent authorities through an official procedure, or a report via the LISI whistleblowing system.

The 3 cases were investigated.

Out of these 3 cases:

- 2 were closed after an investigation that did not confirm the existence of discrimination,
- 1 was closed after action and/or compensation following an investigation that confirmed the existence of facts of a discriminatory nature.

In 2024, no fines or damages as a result of discrimination were paid.

■ Promotion of well-being, health and sport

LISI promotes well-being and sports practice through various initiatives.

Every year, many LISI sites offer their employees health prevention campaigns, vaccination campaigns, medical check-ups, Covid and/or flu tests, dietetic advice, etc.

Several sites offer their employees the possibility of participating in a sporting activity over lunch or collective sports:

- In Torrance (United States), employees can join internal softball, soccer or football teams,
- Around one hundred employees from LISI AEROSPACE sites in California took part in the 2024 "Aerospace Summer Games", bringing together more than 6,000 participants from 44 aeronautical and space companies in the Los Angeles region. LISI ranked 13th out of 44,
- The Izmir site (Turkey) provides its employees with table tennis and Teqball (football tennis). It has a basketball team that participates in inter-company competitions,
- In 2024, 74 French LISI employees took part in Grandvi'trail, in two race formats and one walk.

Employees at Parthenay took part in the 22nd edition of the "race of the ramparts" and won the team race!

- In 2024, LISI AEROSPACE renewed its "Spring bike challenge" (spring bike challenge offered this year to all the division's sites). 13 sites took part. The 79 participating cyclists traveled 21,044 km and raised more than €5,200 for an association supporting animals in distress.

■ Prevention of absenteeism

Absenteeism due to illness has multiple factors of origin. It is very largely dependent on health factors outside the professional activity, but, at least in part, is important to monitor in that it is also an indicator of working conditions, the working environment, and employee commitment.

At LISI, the indicator used to calculate absenteeism is the percentage of so-called "compressible" absences, as opposed to so-called "uncompressible" absences. By agreement, sick leave beyond 6 weeks is considered uncompressible.

The Group's absenteeism rate was 3.4% in 2024, an improvement of 0.5 points compared to 2023.

	2020	2021	2022	2023	2024
Absenteeism rate	4.4%	4.2%	4.5%	3.9%	3.4%

All LISI sites are invited to closely monitor their absenteeism, to seek to understand the causes, in particular any internal causes, and to act on them.

■ Assistance for parenthood and helping employees

LISI encourages a work environment favorable to parenthood and the role of family caregiver, such as:

- Chosen part-time work or working time arrangements,
- Flexible leave policy,
- Flexible overtime recovery,
- Offering health insurance schemes covering children's health, or services to support parents and caregivers,
- And for positions that allow it, partial remote working, flexible hours, flexibility in projects and tasks.

The Saint-Ouen-l'Aumône, Beyssac and Carpète (France) sites have reserved places in inter-company or partner crèches to help their parent employees.

Since 2023, LISI AEROSPACE has offered access for some of its French employees to the Sunshine-me platform, which offers support, advice, assistance and services to parent and caregiver employees.

At the end of 2024, 294 employees on permanent contracts were working part-time within the Group, i.e. 2.9% of the permanent own workers, including:

- 164 women (1.7% of employees on permanent contracts and 7.5% of women on permanent contracts);
- 130 men (1.4% of employees on permanent contracts and 1.8% of men on permanent contracts).

■ Maternity, paternity and parental leave

LISI supports and applies legislation granting employees the possibility of taking maternity, paternity and/or parental leave.

The percentages of managerial and non-managerial employees, in the European Union and outside the European Union, benefiting, where applicable, from total or partial compensation for loss of wage in the event of maternity, paternity or parental leave, are as follows:

% of listed employees who benefit, when this situation occurs, from...	EXECUTIVES			NON-EXECUTIVES		
	European Union	Outside European Union	All sites, all countries	European Union	Outside European Union	All sites, all countries
A public and/or LISI program for full or partial compensation of income loss in case of maternity leave	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A public and/or LISI program for full or partial compensation of income loss in case of paternity leave	100.0%	53.9%	89.5%	100.0%	83.7%	93.8%
A public and/or LISI program for full or partial compensation of income loss in case of parental leave	98.2%	69.7%	91.7%	94.2%	76.5%	87.5%

In 2024:

- 63 LISI employees (all sites, all countries) were on maternity leave for at least part of the year,
- Of these, 29 returned from maternity leave in 2024,
- Among these 29 cases:
 - 2 resigned upon their return,
 - 27 have returned to the same or comparable position,
- 25 employees out of the 27 benefited during their leave or upon their return, from at least the same salary increase as if they had not been on maternity leave.
- 185 employees benefited from paternity leave for at least part of the year,
- 80 employees benefited from parental leave for all or part of 2024.

■ Assistance and social action

All French LISI employees are covered by the health and personal risk insurance contract known as the "Group Contract" and benefit from a social action plan managed by the insurer AG2R. If necessary, in the face of life's uncertainties, employees can benefit from personalized

support to be listened to and obtain information through an "ECO" approach (Listening Counseling Guidance). The areas of intervention of the AG2R social action are as follows: health and prevention, situations of vulnerability, disability, support for employee caregivers, professional integration.

Several French sites provide their employees with a social assistance service provided by an inter-company social service or other external professionals. This is the case for the Villefranche-de-Rouergue, Beyssac, Bar-sur-Aube, La Ferté-Fresnel, Hérouville-Saint-Clair and Bologne site (France).

Employees at American sites receive assistance through the EAP (Employee Assistance Program) mentioned above.

In total, at 54 LISI sites or legal entities:

- 42 offer their employees the opportunity to benefit from psychological assistance in case of need,
- 24 offer their employees the possibility of benefiting from social assistance in case of need.

3.2.6.2 - Employee representation, collective bargaining agreements, collective bargaining and employee consultation

■ Employee representative bodies

LISI attaches importance to maintaining a relationship of trust with the employee representative bodies established by each of the national laws applicable within the Group. Our conviction is that mutual trust and cooperation are based on open and constructive dialog, characterized by mutual respect.

The various employee representative bodies listed below are defined as follows:

- Works Council: in France, means the Social and Economic Committee defined by French law. In countries outside France: employee representative body within a company, made up of employees generally elected to ensure dialog between employees and management. The purpose of this body is to represent the collective interests of employees on issues relating

to working conditions, health and safety, work organization and other aspects related to well-being at work. The Works Councils have specific rights that vary according to national laws, but they generally have rights to information, or even consultation, and even, in some countries, the right to co-decide certain important decisions for employees with management;

- Employee representatives: unlike a Works Council, employee representatives represent the individual interests of employees. Their role is mainly to report individual or collective employee complaints to management. Employee representatives work more at an operational level and are often limited to issues of day-to-day management and immediate working conditions. Their role is thus more restrictive than that of the Works Council;

- Health, Safety and/or Working Conditions Committee: refers to the CSSCT in France (*Commission Santé, Sécurité et Conditions de Travail*). In countries outside France: any body responsible for monitoring employees' working conditions, health and safety;
- Internal union representative: a company employee empowered to represent an employee union within the company and to conduct labor negotiations with the employer on the latter's behalf;
- External trade union representative: person external to the company belonging to an employee union, defending the interests of the company's employees from outside, and/or with which the employer is bound, by the national law in force, to conduct regular social negotiations (e.g. salary negotiations).

Among the 54 LISI sites and/or legal entities recognized in the Group's annual HR report:

- 30 have a Works Council. Among those that do not have one, four have staff representatives and 13 have a Health, Safety and/or Working Conditions Committee,
- 26 have one or more internal trade union representatives, and 11 are covered by one or several trade union structure(s) outside the company,
- 97% of the Group's employees are covered by at least one of the representative bodies listed above.

Note that Two representative bodies exist at Group level: the LISI European Works Council and the LISI (France) Group Council. These two bodies meet at least once a year and give their members an overview of LISI's activities.

132 company or establishment agreements were signed in 2024, on the following topics:

Nb of agreements signed	2024
Working conditions and quality of work life	15
Wages and/or compensation policy	26
Profit-sharing	17
Work organization and/or work hours	24
Skills, employment and/or career management	5
Gender equality	5
Agreements covering several of the above themes	9
Other agreements signed	31
TOTAL	132

■ Employee consultation and participation

LISI is committed to ensuring that employees, directly or via their appointed or elected representatives, are regularly consulted. This consultation necessarily covers the subjects defined by the applicable national law, on significant operational changes and planned measures or decisions likely to substantially affect health and safety at work.

At sites with employee representative bodies, they are the referred channel for employee information and consultation. Sites without employee representative bodies organize the information and consultation of their employees in an appropriate manner.

■ Collective agreements

In France, "Collective bargaining agreement" means a collective bargaining agreement such as the National Metallurgy Collective Agreement. Outside France, corresponds to the "Collective Bargaining Agreement (CBA)", an agreement negotiated between an employer (or a group or union of employers) and an organization representing employees, generally a trade union. It is an agreement or contract that sets out working conditions, wages, benefits, disciplinary procedures and other rights and obligations relating to employees. A CBA is generally the result of a collective bargaining process, either internal to the company or external to it, for example at the level of the professional sector; negotiation during which the parties discuss to reach a mutually acceptable compromise. Once signed, the agreement or contract is legally binding on both parties and establishes a formal framework for labor relations in the company or industry concerned.

At the end of 2024, 96.8% of LISI employees located in the European Union were covered by a Collective Agreement as defined above, compared to 38.2% of employees located outside the European Union.

It should be noted that in France all LISI sites and employees are subject to the National Collective Agreement for Metallurgy.

■ Collective bargaining

LISI, out of conviction and in line with its adherence to the United Nations Global Compact, respects freedom of association and recognizes the right to collective bargaining.

Each year, numerous company or establishment agreements bear witness to the reality of social dialogue.

Employees and/or their representatives have the opportunity not only to give their opinion, but also to participate in activities and/or decisions that affect them in terms of health and safety. The typical activities in which employees and/or their representatives may be involved are the following: design and improvement of workstations, identification of hazards and risk assessment, definition of actions to eliminate hazards and reduce risks for workplace health and safety, post-incident investigations, accidents and/or non-compliance, and search for corrective actions.

3.2.6.3 - Compensation and benefits

■ Compensation policy

Within LISI, compensation is linked to the performance of the company as well as that of each employee.

In 2024:

- 8,939 employees on permanent or fixed-term contracts benefited from a salary increase,
- Of the 8,939 permanent and fixed-term employees who benefited from a salary increase, 2,063, or 23%, are women; 6,876, or 77%, are men,
- 89% of female employees on permanent and fixed-term contracts received a salary increase; 90% of male employees on permanent and fixed-term contracts.

Sustainable development criteria are included in short-term and long-term variable compensation. In particular, CSR criteria are taken into account in the long-term incentive plans offered to the Group's 200 main directors and managers (see section below on performance share plans).

■ Social security coverage

In addition to compensation that meets or exceeds the practices in force in comparable companies in the countries where it operates, the LISI Group strives to offer its employees quality benefits and social protection schemes.

The table below shows the percentage of manager and non-manager employees, in the European Union and outside the European Union, benefiting from the listed social protection measures:

% of listed employees who benefit from...	MANAGERS			NON-MANAGERS		
	European Union	Outside European Union	All sites, all countries	European Union	Outside European Union	All sites, all countries
A public and/or LISI program for full or partial compensation of income loss in case of illness	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A public and/or LISI program for full or partial coverage or reimbursement of healthcare costs	99.7%	81.5%	95.6%	99.3%	88.6%	95.3%
A public and/or LISI program for full or partial compensation of income loss in case of long-term illness and/or incapacity	100.0%	100.0%	100.0%	99.7%	100.0%	99.8%
A public and/or LISI life insurance program providing dependents with a death benefit	96.9%	96.7%	96.8%	95.1%	93.2%	94.4%
A public and/or LISI program for full or partial compensation of income loss in case of work-related accidents or occupational diseases	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A public and/or LISI program for full or partial compensation of income loss in case of commuting accidents	99.2%	77.9%	94.3%	97.1%	81.7%	91.3%
A public and/or LISI program for full or partial income replacement (i.e., pension) during retirement	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
A public and/or LISI program for full or partial income replacement in case of unemployment	100.0%	90.3%	97.8%	99.7%	80.3%	92.4%

■ Employee savings and employee shareholding

In several countries, including France, employees are involved in collective performance through incentive and/or profit-sharing schemes.

Incentive employee savings schemes are also offered, in particular the Group profit sharing plan (PEG) in France. In this respect, French employees benefit from various company mutual funds (FCPE) funded either by voluntary payments or by the sums received in respect of employee incentives or profit-sharing. Among these FCPEs is the plan named "*LISI en Action*", which allows Group employees to indirectly become LISI shareholders. This "*LISI en Action*" fund is accompanied by an incentive employer contribution matching system. 18% of French LISI employees, in 2024, opted to pay all or part of their incentive or profit-sharing, and/or made voluntary contributions, into the "*LISI en Action*" fund, and thus benefited from the matching scheme. 17% and 18% respectively made the same choice in 2023 and 2022.

■ Free share plans

To reward certain employees who have spent the majority of their careers with the LISI Group and who have actively participated in its development, the Board of Directors, acting with the authorization of the General Meeting, decided to award, without any conditions, free LISI shares upon their departure.

The financial impacts of these plans are recorded in the Group's financial statements and are detailed in Chapter 2 "Consolidated financial statements" and Chapter 3 "Separate company financial statements" of the URD.

2022 plan:

The Board of Directors, at its meeting of December 8, 2022, acting with the authorization of the Extraordinary General Meeting of April 28, 2022, decided to allocate, free of charge, without conditions, 6,900 LISI shares to Mr. Jean-Philippe KOHLER (see chapter 6).

■ Share allocation plans subject to performance conditions

Executives or holders of key positions in the organization receive an international share award program conditional on the medium-term performance of the Company. This type of variable compensation allows them to be associated with the Company's value creation over several years.

The financial performance criteria included as of the 3.2 plan are EBIT, FCF as defined in section 3.2 "Accounting principles and policies – Indicators" of chapter 2 "Consolidated financial statements" and net profit (loss).

Qualitative CSR criteria have also been included as performance criteria.

The financial impacts of these plans are recorded in the Group's financial statements and are detailed in Chapter 2 "Consolidated financial statements" and Chapter 3 "Separate company financial statements" of the URD.

2022 plan (22C24):

On December 8, 2022, on the proposal of the NRG Committee (Nominations, Compensation and Governance), the Board of Directors of LISI, acting on the authorization of the Extraordinary General Meeting of April 28, 2022, decided to allocate to the members of the Executive Committee as well as to the members of the main General Management Committees of the three divisions of the LISI Group, shares subject to performance conditions, subject to the achievement of all or part of certain performance criteria. The criteria to be met at December 31, 2024 are as follows:

- EBIT at least equal to 5% of revenue. If EBIT is between 5% and 7.49% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If EBIT is greater than or equal to 7.5% of revenue, the shares would be awarded in full.
- FCF at least equal to 1% of revenue. If FCF is between 1% and 2.29% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the FCF is greater than or equal to 2.3% of revenue, the shares would be allocated in full.
- Net income at least equal to 2.5% of revenue. If net profit is between 2.5% and 4.99% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the net profit (loss) is greater than or equal to 5.0% of revenue, the shares would be allocated in full.
- Achievement of CSR objectives defined in terms of the percentage of energy saved compared to 2023 by the CSR projects specifically deployed, of TF1 and of the percentage of women among managers.
- Stock market performance criterion based on the average of the last sixty quotes as well as an annual average (the higher of the two valuations will be taken into account). A target price is defined: the shares will be allocated in full or in part according to a progressive percentage defined in the rules of the allocation plan. Below a certain threshold, the grant may be zero.

With regard to the corporate officers, the Board of Directors decided that they should retain in registered form 20% of the free shares that may have been allocated to them until the end of their term of office.

The maximum number of shares allocated on the date of issue of the plan was 189,560 shares and concerned 209 employees in France and abroad.

In total, the performance criterion rate of the 22C24 plan achieved for the LISI Group was 70%.

2022 plan (22C25):

On December 8, 2022, on the proposal of the NRG Committee (Nominations, Compensation and Governance), the Board of Directors of LISI, acting on the authorization of the Extraordinary General Meeting of April 12, 2023, decided to allocate to the members of the Executive

Committee as well as to the members of the main General Management Committees of the three divisions of the LISI Group, shares subject to performance conditions, subject to the achievement of all or part of certain performance criteria. The criteria to be met at December 31, 2025 are as follows:

- EBIT at least equal to 6% of revenue. If EBIT is between 6% and 8.59% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If EBIT is greater than or equal to 8.6% of revenue, the shares would be awarded in full.
- FCF at least equal to 2% of revenue. If FCF is between 2% and 3.59% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the FCF is greater than or equal to 3.6% of revenue, the shares would be allocated in full.
- Net profit (loss) at least equal to 3.5% of revenue. If net profit (loss) is between 3.5% and 5.99% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the net profit (loss) is greater than or equal to 6.0% of revenue, the shares would be allocated in full.
- Achievement of CSR objectives defined in terms of the percentage of energy saved compared to 2025 by the CSR projects specifically deployed, of TF1 and of the percentage of women among managers.
- Stock market performance criterion based on the average of the last sixty quotes as well as an annual average (the higher of the two valuations will be taken into account). A target price is defined: the shares will be allocated in full or in part according to a progressive percentage defined in the rules of the allocation plan. Below a certain threshold, the grant may be zero.

With regard to the corporate officers, the Board of Directors decided that they should retain in registered form 20% of the free shares that may have been allocated to them until the end of their term of office.

The maximum number of shares allocated on the date of issue of the plan was 185,830 shares and concerned 206 employees in France and abroad.

2023 plan (23C26):

On December 7, 2023, on the proposal of the NRG Committee (Nominations, Compensation and Governance), the Board of Directors of LISI, acting on the authorization of the Extraordinary General Meeting of April 12, 2023, decided to allocate to the members of the Executive Committee as well as to the members of the main General Management Committees of the three divisions of the LISI Group, shares subject to performance conditions, subject to the achievement of all or part of certain performance criteria. The criteria to be met at December 31, 2026 are as follows:

- EBIT at least equal to 6% of revenue. If EBIT is between 6% and 8.59% of revenue, the shares would be partially

allocated according to a progressive percentage defined in the rules of the allocation plan. If EBIT is greater than or equal to 8.6% of revenue, the shares would be awarded in full.

- FCF at least equal to 2% of revenue. If FCF is between 2% and 3.59% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the FCF is greater than or equal to 3.6% of revenue, the shares would be allocated in full.
- Net profit (loss) at least equal to 3.5% of revenue. If net profit (loss) is between 3.5% and 5.99% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the net profit (loss) is greater than or equal to 6.0% of revenue, the shares would be allocated in full.
- Achievement of CSR objectives defined in terms of the percentage of energy saved compared to 2025 by the CSR projects specifically deployed, of TF1 and of the percentage of women among managers.
- Stock market performance criterion based on the average of the last sixty quotes as well as an annual average (the higher of the two valuations will be taken into account). A target price is defined: the shares will be allocated in full or in part according to a progressive percentage defined in the rules of the allocation plan. Below a certain threshold, the grant may be zero.

With regard to the corporate officers, the Board of Directors decided that they should retain in registered form 20% of the free shares that may have been allocated to them until the end of their term of office.

The maximum number of shares allocated on the date of issue of the plan was 190,280 shares and concerned 213 employees in France and abroad.

2024 plan (24C27):

On December 5, 2024, on the proposal of the NRG Committee (Nominations, Compensation and Governance), the Board of Directors of LISI, acting on the authorization of the Extraordinary General Meeting of April 12, 2023, decided to allocate to the members of the Executive Committee as well as to the members of the main General Management Committees of the three divisions of the LISI Group, shares subject to performance conditions, subject to the achievement of all or part of certain performance criteria. The criteria to be met at December 31, 2027 are as follows:

- EBIT at least equal to 6% of revenue. If EBIT is between 6% and 8.99% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If EBIT is greater than or equal to 9% of revenue, the shares would be awarded in full.
- FCF at least equal to 2% of revenue. If FCF is between 2% and 3.59% of revenue, the shares would be partially allocated according to a progressive percentage defined

in the rules of the allocation plan. If the FCF is greater than or equal to 3.6% of revenue, the shares would be allocated in full.

- Net profit (loss) at least equal to 3.5% of revenue. If net profit (loss) is between 3.5% and 5.99% of revenue, the shares would be partially allocated according to a progressive percentage defined in the rules of the allocation plan. If the net profit (loss) is greater than or equal to 6.0% of revenue, the shares would be allocated in full.
- Achievement of CSR objectives defined in terms of percentage of energy saved compared to 2026 by CSR projects specifically deployed, TF1, percentage of women among managers and absence of major quality incidents in the Group for which the amount to be taken into consideration has been defined by the Board of Directors.
- Stock market performance criterion based on the average of the last sixty quotes as well as an annual average (the higher of the two valuations will be taken into account). A target price is defined: the shares will be allocated in full or in part according to a progressive percentage defined in the rules of the allocation plan. Below a certain threshold, the grant may be zero.

With regard to the corporate officers, the Board of Directors decided that they should retain in registered form 20% of the free shares that may have been allocated to them until the end of their term of office.

The maximum number of shares allocated on the date of issue of the plan was 190,210 shares and concerned 213 employees in France and abroad.

2020 loyalty plan:

The LISI Group relies on the contribution of an experienced management team and wishes to retain these high-potential employees who constitute a united and motivated group of talented people. To this end, a single loyalty plan has been put in place for the 40 employees of the Group. On December 9, 2020, on the recommendation of the NRG (Nominations, Compensation and Governance) Committee, the Board of Directors of LISI, acting on the authorization of the Extraordinary General Meeting of April 26, 2019, decided to implement this plan under the conditions for allocation defined as follows:

- To be included in the headcount up to the February 2026 Board Meeting,
- Performance condition: as the plan is structured in such a way as to align the interests of the beneficiaries with those of the Group and its shareholders, the allocation of shares is to be correlated to the increase in the LISI share price observed in 2025 with a set target price corresponding to either the average price of the last 60 trading days of 2025 or the annual average for the same year, whichever shall be the higher of the two. A progressive chart is set based on an allocation trigger threshold that is also determined.

With regard to the corporate officers, the Board of Directors decided that they should retain in registered form 20% of the free shares that may have been allocated to them until the end of their term of office.

The maximum number of shares allocated on the date of issue of the plan was 248,000 shares and concerned employees in France and abroad.

The financial impacts of this plan are recorded in the Group's financial statements and are detailed in Chapters 2 "Consolidated financial statements" and 3 "Separate company financial statements" of the URD.

Information on the award of performance shares as at December 31, 2024

	Number
Options allocated at the beginning of the period	965,910
Options allocated during the period	190,210
Options exercised during the period	(106,793)
Options canceled during the period	(107,267)
Options allocated at the end of the period	942,060

Options that reached maturity during the period are definitively lost and will not result in the issuance of shares. The options granted to date and attributable in future years are deducted from treasury shares without giving rise to

the issue of new shares. The table below presents the information on allocations of performance shares and free shares outstanding at December 31, 2024:

Allocation date of options	Exercise price in euros	Number of options outstanding at December 31, 2024	Residual contractual term
09/12/2020	None	221,000	February 2026
08/12/2022	None	171,460	February 2025
08/12/2022	None	6,900	February 2025
08/12/2022	None	170,700	February 2026
07/12/2023	None	181,790	February 2027
05/12/2024	None	190,210	February 2028
		942,060	

Plans in place as of December 31, 2024

Date of General Meeting	Category Plan No.	Number of options allocated	Of which corporate officers	Of which members of the Leadership Board (less corporate officers)	Of which 10 leading employees*	Number of residual beneficiaries	Exercise period	Subscription or purchase price	Canceled options Expired unallocated options	Remaining options at 12/31/2024
BOARD OF DIRECTORS										
AUTHORIZATION OF 04/26/2019										
09.12.2020	DEFI 20C25	248,000	12,000	102,000	47,000	36	Board of Directors that confirms the 2025 results (February 2026)	None	-27,000	221,000
AUTHORIZATION OF 04/26/2022										
08.12.2022	22C24	189,560	6,900	46,860	14,700	189	Board of Directors that confirms the 2024 results (February 2025)	None	-18,100	171,460
08.12.2022	22C24 (G)	6,900	6,900	0	0	1	Board of Directors that confirms the 2024 results (February 2025)	None	0	6,900
AUTHORIZATION OF 04/12/2023										
08.12.2022	22C25	185,830	6,900	49,400	14,000	192	Board of Directors that confirms the 2025 results (February 2026)	None	-15,130	170,700
07.12.2023	23C26	190,280	7,400	49,150	13,700	204	Board of Directors that confirms the 2026 results (February 2027)	None	-8,490	181,790
05.12.2024	24C27	190,210	7,400	50,300	14,000	213	Board of Directors that confirms the 2026 results (February 2027)	None	0	190,210

G = free / * excluding corporate officers and Leadership Board.

3.2.7 Outlook and improvement plans

In 2025, LISI will continue its commitment to developing human capital and improving working conditions.

The flagship focus of 2025 is the effective launch of “The 20 keys to attractiveness and retention” initiative, designed in 2025, which aims to strengthen the attractiveness of sites and retain employees by implementing tangible actions on topics such as talent management, quality of management, feminization of professions and leadership. This approach will be a key driver for improving employee commitment and limiting employee turnover.

LISI will also work in 2025 to collect new metrics that meet the requirements of the CSRD, which we were not able to collect for this first exercise. This work to continuously improve our reporting will enable us to refine our analysis of the social impacts of our activity and improve our transparency vis-à-vis our stakeholders.

LISI maintains its ambition in 2025 to:

- increase the percentage of women among managers, with a target of 29% by the end of the year,
- reduce the resignation rate, with the aim of being below 6.5%.

LISI confirms its desire to combine economic performance and social responsibility by developing an attractive working environment conducive to the professional development of everyone.

3.3 PEOPLE – Performance metrics

 people	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
PROTECTING OUR EMPLOYEES										ODD 3
TF1 (LISI employees + temporary workers)	9.0	8.0	7.1	6.7	5.7	< 6	< 5	ESRS S-1	GRI 403-2	 GOOD HEALTH AND WELL-BEING
TF1 LISI employees	8.0	7.9	6.1	5.7	5.4			ESRS S-1	GRI 403-2	
TF1 temporary workers	21.2	9.4	24.2	18.8	8.7			ESRS S-1	GRI 403-2	
TF0 LISI employees	5.9	6.0	4.9	3.5	3.8			ESRS S-1	GRI 403-2	
TF0 LISI employees + temporary workers	6.8	6.1	5.7	4.4	4.1			ESRS S-1	GRI 403-2	
RETAIN OUR TALENT										
Headcount (average FTE)	12,484	8,874	9,799	10,642	11,028			ESRS S-1	GRI 401-1	
Registered headcount	11,171	9,480	9,676	10,014	10,262			ESRS S-1	GRI 401-1	
% of Managers	10.6%	11.8%	13.1%	13.5%	14.1%			ESRS S-1	GRI 401-1	
Diversity & Inclusion										ODD 5
% of women in headcount	22.0%	23.0%	23.9%	23.6%	23.2%			ESRS S-1	GRI 405-1	 GENDER EQUALITY
% of women Managers within Managers	24.6%	27.1%	28.3%	28.1%	28.4%	29.0%		ESRS S-1	GRI 405-1	
% of women Managers within the headcount	3.0%	3.2%	3.9%	3.8%	4.0%			ESRS S-1	GRI 405-1	
% of women within the governance Leadership Board	10.5%	17.4%	20.8%	20.0%	20.0%			ESRS S-1	GRI 405-1	
% of headcount with a disability	2.8%	4.3%	3.4%	3.0%	2.8%			ESRS S-1	GRI 405-1	
% of below 30 years old in headcount	nd	17.3%	17.5%	18.9%	19.6%			ESRS S-1	GRI 405-1	
% of above 50 years old in headcount	nd	27.6%	28.5%	28.4%	28.9%			ESRS S-1	GRI 405-1	
Turnover & retention										ODD 5 & 10
Nb of hires (with apprentices)	1,344	1,317	2,095	2,365	2,015			ESRS S-1	GRI 401-1	 GENDER EQUALITY
% of hires - Managers	15.2%	12.5%	11.2%	11.6%	10.8%			ESRS S-1	GRI 405-1	
% of women within the hires				31.8%	29.2%			ESRS S-1	GRI 405-1	
% of women Managers within the hires Managers				38.5%	31.6%			ESRS S-1	GRI 405-1	 REDUCED INEQUALITIES
Nb of departures	1,570	1,476	1,818	2,027	1,767			ESRS S-1	GRI 401-1	
Net result (Hires - Departures)	- 226	- 159	277	338	248			ESRS S-1	GRI 401-1	
Nb of resignations	691	619	849	808	695			ESRS S-1	GRI 401-1	
Resignations ratio over headcount	6.2%	6.5%	9.0%	8.1%	6.8%	7.0%		ESRS S-1	GRI 401-1	
Resignations ratio over nb of departures	44.0%	41.9%	46.7%	39.9%	39.3%			ESRS S-1	GRI 401-1	
% of women within the resignations	nd	nd	nd	31.4%	30.8%			ESRS S-1	GRI 405-1	
Turnover ratio	13.0%	14.7%	20.2%	21.9%	18.9%			ESRS S-1	GRI 401-1	
Nb of promotions	nd	nd	589	439	500			ESRS S-1	GRI 401-1	
Proportion of Women in the promotions	nd	nd	43.5%	21.6%	21.8%			ESRS S-1	GRI 405-1	
Proportion of Women within the promotions to Managers	nd	nd	28.5%	43.3%	31.0%			ESRS S-1	GRI 405-1	
Proportion of Women within the promotions not managers	nd	nd	50.8%	20.0%	23.5%			ESRS S-1	GRI 405-1	
Promotion ratio over headcount	nd	nd	6.1%	4.4%	4.9%			ESRS S-1	GRI 401-1	
Promotion ratio of women to Managers	nd	nd	2.9%	0.7%	0.7%			ESRS S-1	GRI 405-1	
Commitment & Quality of life										ODD 5 & 10
Absenteeism	3.4%	4.2%	4.5%	3.9%	3.4%			ESRS S-1	GRI 401-1	 GENDER EQUALITY
% of headcount that can work from home	nd	nd	nd	18.2%	17.0%			ESRS S-1	GRI 401-1	
Participation ratio to QWL survey	nd	65%	69%	71%	68%			ESRS S-1	GRI 401-1	
Satisfaction ratio to QWL survey	77%	78%	75%	76%	82%			ESRS S-1	GRI 401-1	 REDUCED INEQUALITIES
Nb of harassment cases reported (sexual or moral)	nd	nd	nd	40	22			ESRS S-1	GRI 406-1	
Nb of discrimination cases reported	nd	nd	nd	8	3			ESRS S-1	GRI 406-1	
Nb of cases reported that have been investigated	nd	nd	nd	71%	96%			ESRS S-1	GRI 406-1	
% of cases reported over headcount	nd	nd	nd	0.5%	0.2%			ESRS S-1	GRI 406-1	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
Training										ODD 4
Nb of training hours	179,165	167,929	154,691	220,472	177,234			ESRS S-1	GRI 403-5	 QUALITY EDUCATION
Nb of hours by headcount trained	nd	23	16	21	19			ESRS S-1	GRI 403-5	
Nb of headcount trained	nd	7,297	9,668	10,700	9,279			ESRS S-1	GRI 403-5	
Nb of hours by headcount trained	16	18	16	22	17			ESRS S-1	GRI 403-5	
% of women in total training hours				19.1%	25.8%			ESRS S-1	GRI 403-5	
LKI - nb of interns	651	704	593	538	464			ESRS S-1	GRI 403-5	
LKI - nb of sessions	98	89	89	81	68			ESRS S-1	GRI 403-5	
LKI - nb of training hours	10,900	10,693	10,170	9,153	9,926			ESRS S-1	GRI 403-5	
% of HR (recruiters) trained to Non discrimination in France			100%	100%	unkn			ESRS S-1	GRI 403-5	
% of employees trained in Safety				100%	100%	100.0%		ESRS S-1	GRI 403-5	

4 PROFIT – Information Relating to the Conduct of Business (ESRS G)

4.1 PROFIT - Corporate culture (ESRS G1)

4.1.1 Strategic context and challenges

The corporate culture, the primary foundation of our development, is our purpose: to shape and share sustainable links. Inclusive and sustainable, LISI's purpose is both the essence of our business, the ambition that drives us and the compass that guides our decisions and actions. It is a long-term inspiration for our commitments to the stakeholders that make up our "ecosystem", foremost among them our employees.

Our corporate culture is based on entrepreneurial values, it is not just a slogan and its reach is not limited to a Corporate Social Responsibility (CSR) program. This signature is, on the one hand, the desire to promote,

through our identity and our purpose, the sustainability and value of an ecosystem whose strength is based on the lasting links that we forge and share with our stakeholders: employees, customers, shareholders, banking partners, suppliers and regions, in France and abroad.

It is also a reference to our identity and our ability to design and deliver reliable and sustainable assembly solutions; fasteners, and complex parts that are ever more efficient and eco-responsible, solutions whose technicality and reliability aim to provide long-term satisfaction to some of the most demanding industries: the aeronautics, automotive and medical sectors.

4.1.2 Policy and commitments

LISI's governance is based on a clear and structured strategic framework, aligned with the requirements of RD G1-1 of the CSRD (Corporate Sustainability Reporting Directive). This framework is based on robust ethics, sustainability and social responsibility policies, which are essential to address current and future challenges.

LISI is committed to ensuring the ethical and transparent management of its activities. To this end, LISI has formalized its policy in its 2023 Code of Conduct, revised in 2024. This Code of Conduct constitutes an operational formulation of its business ethics, establishing clear rules in terms of the fight against corruption, respect for human rights, regulatory compliance and a system for reporting deviations from its application (Ethic-Line whistleblowing system).

The construction of the Code of Conduct was based on LISI's purpose, from which stems its values of sustainability, integrity, transparency, innovation, development of the skills of its employees and excellence. It validates its adherence to the UN Global Compact program, on which it is based to describe LISI's expectations in terms of human rights, compliance with international labor standards, compliance with applicable laws (in particular tax regulations), respect for the environment, the rights of local communities and the fight against all forms of corruption.

The Code of Conduct also reflects LISI's strong commitments in terms of diversity integration and the prohibition of all discrimination, cooperation with employee representatives, information, consultation and employee participation in the determination of measures or decisions likely to substantially affect their working conditions and the future of the Company.

Alerts are received by the Group Ethics Committee, made up of the General Secretary, the Human Resources Director and the Group GRC Director, which works within the framework defined by the Sapin II law. It acknowledges receipt of the alert within 7 working days and communicates the guarantees of confidentiality, assesses the admissibility of the alert submitted, assessed according to the terms defined in the Code of Conduct; the result of this assessment is then communicated to the whistleblower. The Ethics Committee organizes the processing of the alert and communicates the results of its investigations to the whistleblower within three months of acknowledging receipt of the alert. The personal data communicated in the context of the alert is processed in accordance with the various applicable local laws. Finally, once the alert has been processed, the data is anonymized. As a reminder and as an incentive, LISI decided and explained the fact that any employee who reports a potential violation of the Code of Conduct in good faith is protected by law against all forms of retaliation.

4.1.3 Impacts, risks and opportunities (IRO)

The table below shows the Impacts, Risks and Opportunities resulting from the materiality analysis concerning the corporate culture issue.

ESRS	Issues	Impact and Risk	Opportunity
G1	Share a common history, vision and values, from shareholders to employees, through constructive dialog, taking into account the expectations of stakeholders and reflected in strategic orientations and management models.	■ inherent in the corporate culture: cost of support measures	■ long-term vision ■ alignment with stakeholder expectations ■ sustainability of the company ■ accessibility to loans at more favorable rates

4.1.4 Governance and resources

LISI's corporate culture is based on sustainable and transparent governance structures, anchored in the principles of ethics, work and rigor, described in chapter 6 of this document and from which the strategy is based.

LISI's corporate culture has been formalized by the Group's Senior Management and approved by the Board of Directors. The Senior Management allocates resources for its broad communication, through various structures: the Human Resources Department, which checks its presentation at the beginning of the training sessions, which begin, for the newcomer, with a presentation of the

Group's history, during their onboarding process. The Senior Management has translated the corporate culture into its various operational management tools for the entities, whether in the strategic positioning tools of the entities (A3), in simple and clear management structures (six hierarchical levels), organization of meetings for discussion and resolution of operational problems held at all hierarchical levels (PSM meetings) and during regular plant visits by Management (Performance Boards). Lastly, the corporate culture is recalled during corporate communications seminars (LISI Talks).

4.1.5 Actions

LISI deploys its corporate culture during training, transcribes it into its structuring documents and verifies its adherence through several methods: evaluations sanctioning key training courses (such as the Code of Conduct training), quality of life at work surveys including free comments section, promotion of internal employee inclusion awareness-raising events and training program for Group employees.

The LISI Code of Conduct is distributed to all employees through an online training course, the proper understanding and integration of which are validated by an assessment at the end of the training. This assessment consists of a questionnaire of 10 multiple choice questions, proposing scenarios of situations of corruption, influence peddling, conflicts of interest and management of gifts. A correct response rate of more than 70% is necessary in order to validate the training, a lower rate results in the immediate renewal of the training. It is also distributed to its partners by being made available on its website, Ethics section. The proper application of its Code of Conduct and its implementation is validated during internal audits carried out by LISI.

The Group has identified the public that may be most exposed to the risk of corruption or conflicts of interest, i.e. executive functions (corporate officers, for example) or management positions (member of a Management Committee) or specific functions such as buyers, for example.

In order to enable each stakeholder, whether internal or external, to report any event in a safe, secure and efficient manner, the LISI Group has set up a reporting system, accessible since April 1, 2018, from its internet portal. Due to the LISI Group's international dimension, this whistleblowing system is available in nine languages. The alerts that can be reported through this system may raise issues related to the fight against corruption but also to the duty of care, whether they have an impact on the Group's reputation, its activities or its results. To facilitate its use, an alert collection procedure has been created. The design of this system, carried out with an external service provider, allows for efficient and confidential processing of alerts. As an incentive, LISI decided and explained the fact that any employee who reports a potential violation of the Code of Conduct in good faith is protected by law against all forms of retaliation. An unannounced efficacy test of the system was carried out as part of the IATF certification standard (LISI AUTOMOTIVE division) by issuing an alert: the system was found to comply with legal processing and response requirements. This system, which is completely managed internally, meets the legal requirements since it is a secure system which protects the whistleblower.

4.1.6 Results

LISI trained more than 94% of its staff in its Code of Conduct in 2024, during an online training campaign sanctioned by a test validating the proper integration of the training. This training has been integrated into the onboarding process for all newcomers.

Through training on the Code of Conduct, employees were trained in the existence and conditions of use of the LISI whistleblowing system, called Ethic-Line. Two alerts were received through this channel in 2024 and were

investigated according to the procedure in force. One of them resulted in the implementation of a corrective action plan, the application of which was supervised by the Ethics Committee. These results show the good integration by employees of the Group's corporate culture and validate the relevance and effectiveness of the actions implemented.

The LISI Group did not identify any incidents of corruption in 2024.

4.1.7 Outlook and improvement plans

The LISI Group's corporate culture will continue to be at the heart of its daily action in 2025. The 2025 improvement project with regard to the application of this corporate culture will involve the renewal of its whistleblowing

system, in order to make it even more accessible, through the provision of two communication media for alerts (telephone and web platform), through an outsourced solution, to guarantee the independence of alert collection.

4.2 PROFIT - Innovation, quality and safety (additional issue)

4.2.1 Impacts, risks and opportunities

The table below shows the Impacts, Risks and Opportunities resulting from the materiality analysis concerning the additional issue specific to LISI "Innovation, quality and safety".

ESRS	Issues	Impact and Risk	Opportunity
BD-e	Product safety aims to protect individuals from risks to their health, safety and well-being related to the use of products. This includes ensuring compliance with safety and quality standards for products and packaging, preventing accidents, as well as providing clear and accurate information on potential hazards associated with products and packaging.	■ claims, product recalls ■ increase in liability insurance costs ■ reputational risk ■ loss of customers, contracts	■ brand image improvement ■ customer loyalty, increased barriers to entry with customers ■ market share gains ■ attractiveness ■ lean manufacturing

4.2.2 PROFIT - Innovation, quality and safety - Aeronautics sector (additional issue)

4.2.2.1 - Context and strategic issues (SBM)

The global aeronautics market expects members of its industry to be able to support the growth of the market with aircrafts delivered on time, increasingly respectful of the environment and, above all, guaranteeing the safety of passengers. As the main supplier in its market segments, LISI AEROSPACE has integrated these challenges and relies on its two strategic focuses: Innovation and Performance to meet them.

Innovation by proposing fastening systems that make aircrafts lighter, the automation of our customers' processes, the quality of assemblies and by proposing processes for manufacturing structural components that make aircrafts lighter, and improve their reliability.

Performance through the continuous improvement of its Quality Management System, reinforced by the recent deployment of an Aviation Safety Management System, as expected by its customers and the aviation authorities.

4.2.2.2 - Policy and commitments

The Aviation Safety & Quality Policy document describes the commitments of all LISI AEROSPACE staff in this area through the implementation of human resources trained in the values of the Just Culture, in the tools of reaction and resolution to the risks detected and the implementation of technical means to ensure that defects in manufactured products are prevented. Innovation in the use of new technologies towards this objective is also part of this policy.

AVIATION SAFETY AND QUALITY POLICY

LISI AEROSPACE commits to deliver products at the highest level of Aviation Safety and Quality requirements. This is an essential obligation that demands daily commitment from ALL LISI employees, and flight safety depends on it. This commitment matches fully with LISI Group purpose « Shape and Share sustainable links ».

Our commitments:

As members of LISI AEROSPACE, we are committed to consolidate our Quality Management System by deploying our Aviation Safety System.

We ensure that:

- Aviation Safety and Quality Policy is understood at all levels of the organization.
- Roles and responsibilities are communicated and understood.
- The organization provides the appropriate support for all team members.
- Hazards and risks associated to our activities are assessed and mitigated.
- Transparency and trust are promoted through fair and just culture approach.
- We maintain awareness for identification of fraudulent activities and manage their resolution.
- Aviation Safety and Quality training are deployed throughout the organization.

Our method:

Systematically and rigorously implementing the processes to achieve a high level of Aviation Safety and product Quality.

Ensuring the analysis and understanding of customers requirements and industry standards through in-depth review.

Measuring our Safety and Quality performance for our communication and continuous improvement.

Prevention through risk-based thinking, the practice of lessons learned and the sharing of know-how.

Consideration of Human and Organizational Factors in the design of our processes and in problem solving activities.

Analysis of data from our processes and product to improve their control.

The use of Advanced Product Quality Planning (APQP) tools to better manage our projects and changes; to consolidate the maturity and efficiency of new processes.

Control of Key Process Indicators (KPI) and objectives to lead actions and continuous improvement.

Integration of our suppliers by ensuring they meet Aviation Safety and Quality management system requirements.

Directeur Général Division	Directeur Financier	Directeur Systèmes d'Informations
Directeur Général Fasteners EU	Directeur Qualité et R & T	Directeur des Achats
Directeur Général Structural Components	Directeur RH	Directeur Juridique
Directeur Général Fasteners NAM	Directeur Stratégie	

Internal Public

4.2.2.3 - Governance and resources

The implementation of effective and responsible functional networks across all levels of the Company's management enables the management of Quality and Safety risks and performance improvement plans (LEAP). In support of the Factory operational teams, Quality resources are positioned at each Business Group level and at the Division level. These networks allow rapid feedback to address potential risks with the right level of expertise and support and allow for the pooling and standardization of progress actions at the appropriate level.

A particular effort has been made in recent years in Development and Industrialization to design products and manufacturing processes that are good at the first try through the implementation of the APQP and Upstream Quality skills (Project Quality, Upstream Methods).

The network of expert communities also contributes to this dual objective of dealing with technical risks and innovation in the Division's priority areas.

The governance of these resources and the achievement of the targeted objectives is carried out through Quality & Safety Committees at each management level (Division, Business Group, Plant), as well as by Project Management Committees at each of these levels.

4.2.2.4 - Action plans

The main actions carried out in the field of innovation to meet the expectations of the aeronautics industry are:

- Development of fitting tools and control of the proper fitting of fasteners by integrating mechatronic and digital functions
- Integration of Artificial Intelligence for process or product control automation
- Data recording and processing on processes and products to improve performance (Big Data)
- Integration of technological building blocks improving performance (energy savings, cycle time, material commitment, etc.)
- Integration of 4.0 tools in factories to save crossing time and capacity

In the area of delivered product quality and Aviation Safety, the continuation of our EN9100 and NADCAP Certification policy has been strengthened by the implementation of an Aviation Safety Management System (SMS) that more specifically addresses Organizational and Human Factors in Safety Risks and Potential Hazards. This approach makes it possible to set up appropriate response methods, resources and governance to deal with these risks and potential dangers as quickly as possible.

Numerous projects and initiatives are included in LISI AEROSPACE's performance improvement plan (LEAP), including a large-scale digital component.

4.2.2.5 - Targets and results and analysis

In the area of innovation:

- **Patents:** LISI AEROSPACE filed seven new patent applications in 2024, in addition to the geographical extensions of existing patents.
- **Product design:** LISI AEROSPACE designed products accounted for 7.6% of the Division's sales, up steadily over the past three years.
- **R&D projects:** in 2024, LISI AEROSPACE took part in six R&D projects financed by the France Relance 2030 scheme, as a pilot or partner of its French OEM customers.

These projects have made it possible to mature on the technological bricks expected for the design and manufacture of the next generation of aircrafts.

In the area of Quality:

- **Security Bulletin:** no safety bulletin was issued in 2024 by the aviation authorities concerning products manufactured by LISI AEROSPACE.
- **Technical claims:** the ratio of the number of customer technical claims to the activity of our sites reached the lowest value ever recorded at 0.16 (compared to 0.20 last year) in both the Fasteners and Structural components business areas.

The integrated report of the Group's Universal Registration Document contains an Innovation chapter that further details the initiatives and results.

4.2.2.6 - Outlook and improvement plans

The innovation strategy for the coming years aims to address the two time horizons expected by our market.

- **Short term:** LISI AEROSPACE aims to introduce incremental innovations in the short term to support the ramp-up of delivery expected over the coming years through several actions:
 - the development of minor changes to products supporting standardization,
 - the automation of our customers' processes,
 - improvements in manufacturing processes resulting in gains in transit time, energy consumption and CO₂ emissions, rate of parts good on the first try.

- **Long term:** LISI AEROSPACE is working to increase the maturity of the technological building blocks necessary for the development of the future generation of aircrafts, whether by offering:

- fastening systems (fasteners and installation tools) to optimize fuel consumption (by saving weight or designing new architectures) or
- manufacturing processes contributing to the same objectives, as well as a high ramp-up.

In addition, our Quality and Aviation Safety management systems must support the ramp-up of our industry through the implementation of new digital solutions (data analysis, IT locks, automation of controls) and management of human factors (on-the-job training, manager training, deployment of the just culture).

4.2.3 PROFIT - Innovation, quality and safety - Automotive sector (additional issue)

4.2.3.1 - Context and strategic issues (SBM)

The automotive and mobility industry in general is undergoing profound transformation. LISI AUTOMOTIVE is supporting this change by confirming its vision: *"Be a sustainable supplier and innovative partner of the automotive industry for value-added fasteners and mechanical safety components for new generation vehicles thanks to a motivated and committed team."*

LISI AUTOMOTIVE is a market leader in each of its product lines thanks to a robust innovation process that anticipates and meets market expectations (Clean mobility; Weight reduction; Platform Logic, Standardization and Optimization of

Assemblies), a permanent presence with our customers and thanks to a recognized industrial performance.

The safety of consumers and end-users is one of our priorities. LISI AUTOMOTIVE has set up a Management System aimed at achieving the highest quality of its products, eliminating risks for staff, the company, customers and users and contributing to the performance of the company and the satisfaction of our customers. Our processes incorporate the notion of product safety as defined in the regulations and our customers' requirements.

4.2.3.2 - Policy and commitments

The LISI AUTOMOTIVE Quality policy describes our Purpose, Mission and Values. It lays the foundations of our Management System and the targets to be achieved.



4.2.3.3 - Governance and resources

The Quality and LEAP Department supervises and coordinates the Quality and Industrial Excellence activities of LISI AUTOMOTIVE.

It oversees the management system and ensures compliance with it. This is a Corporate Management System implemented at each of the Division's sites. It also guarantees the monitoring and assessment of its suppliers by carrying out audits and support provided to the factories to contribute to the achievement of zero defects by our suppliers. Lastly, it contributes to improving processes and

achieving site quality targets through operational support activities at its production sites and for its customers.

At each site and at Division level, Product Safety and Compliance Representatives (PSCR) ensure that the safety and compliance requirements of the product are taken into account throughout its life cycle.

100% of LISI AUTOMOTIVE division sites are certified pursuant to the IATF 16949 standard required by customers in the automotive sector.

4.2.3.4 - Action plans

The requirements related to product and process quality are applied throughout the development process of our products, including the innovation phase:

- From the RFQ response phase, our offers include a risk and feasibility assessment guaranteeing the most appropriate response to the customer's needs. The project phase is then carried out according to the APQP or MLA technical standards, in close collaboration with our customers. Safety and sustainability criteria are integrated from the design stage. Lastly, series production is managed according to the instructions and standards issued by our management system.
- Products are inspected at each stage of the flow and may be subject to a 100% final inspection. A monitoring plan based on a FMECA risk analysis makes it possible to define the controls to be carried out to guarantee an irreproachable level of quality.

- A quality action plan called "0 Escape" implemented since 2020 helps to anchor the quality culture and guarantee zero "recall" for our parts or safety applications. It is based on the development of robust processes that make it possible to do the right thing on the first try and 100% sorting of the critical characteristics that do not have a level of capability guaranteeing zero defects.

- A customer non-compliance management process is in place to ensure the best possible responsiveness and adequate responses in the event of non-compliance detected among our customers. The problem-solving using proven tools such as the 5 Whys and the 8D, enables a robust analysis of the root causes and the implementation of effective corrective and preventive actions ensuring non-recurrence.

4.2.3.5 - Targets and results and analysis

LISI AUTOMOTIVE measures its quality performance using metrics monitored by each site

Realistic but ambitious targets are defined each year in

order to achieve zero defects, a guarantee of trusting cooperation with our customers. Our main results over the last four years show a clear improvement.

		2020	2021	2022	2023	2024
Recall (véh automobile)	Nb	0	0	0	0	0
Customer Claims	Nb	225	240	192	211	161
CNQ (Couts de Non Qualité)	%	1,66	1,42	1,48	1,55	1,38
IpB (Incidents par Milliard de pièces délivrées)	Ratio	63	30	23	24	19

The LISI AUTOMOTIVE division also measures support for its customers in innovation.

The metric used is the annual renewal rate of new products. We have set a target of over 12%, including 5% for new innovative products.

In 2024, this rate stood at 12.4%, with 80% of new products focused on the vehicles of tomorrow: electric or hybrid. These allocations are proof of customers' confidence in the LISI AUTOMOTIVE division's ability to support them during their transformation.

4.2.3.6 - Outlook and improvement plans

Continuous improvement is at the heart of the LEAP Program and aims to achieve industrial excellence in each of our sites. Each problem detected is analyzed and contributes to the continuous improvement of our management system.

A coordinated network of experts is being set up and the various feedbacks will feed into a list of business rules enabling at each stage of the cycle to better capitalize on the lessons learned and best practices.

The digitalization of our quality processes and the introduction of Artificial Intelligence in our control and problem analysis processes is a key step in improving our results and a response to the strong requirements of our customers.

Finally, the new Innovation process (Ideation/CORRI/CARI) makes it possible to expand the space for the collection of ideas, the permanent measurement of the adequacy of resources/projects in order to increase the intensity of our proposal and accelerate their implementation. available in a context of increasingly short deadlines.

4.2.4 PROFIT - Innovation, quality and safety - Medical sector (additional issue)

4.2.4.1 - Context and strategic issues (SBM)

LISI MEDICAL acts as a subcontractor for the manufacture of medical devices for the main customers in this sector of activity. The LISI MEDICAL division contributes, through its positioning in the healthcare industry, to improving the quality of life of people.

In addition, the LISI MEDICAL division collaborates and supports the innovation of its OEM customers (Original

Equipment Manufacturer) in order to provide healthcare workers with high-performance devices.

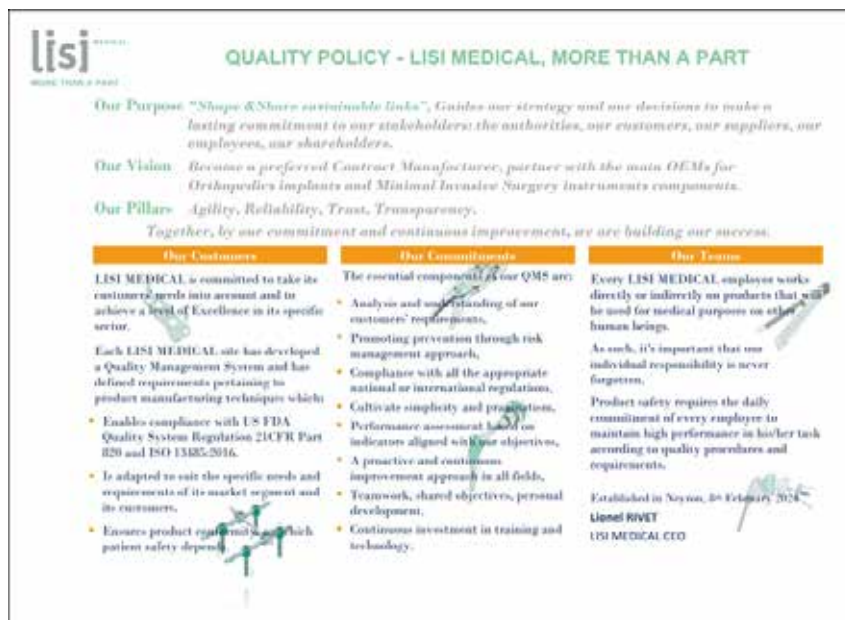
Patient safety is ensured through the compliance and performance of the products we deliver to our customers.

Our customers demand reliability in terms of products, processes and quality management systems.

4.2.4.2 - Policy and commitments

The division's Quality Policy is deployed at each site and the associated objectives are broken down into three areas:

- 0 Major Non-compliance during ISO 13485: 2016 certification audits or regulatory inspections (in particular FDA);
- Cost of Non-Quality < 3.4%
- Number of parts rejected by our customers < 2,000 ppm (defect per million)



4.2.4.3 - Governance and resources

A central Quality Department coordinates the quality departments at each site, in order to ensure the compliance of both products and the Quality Management System with customer requirements and the regulations of the health industries.

A Quality Management System certified according to the ISO 13485 standard required by the regulations of the medical devices sector is in place at all LISI MEDICAL division sites.

100% of the LISI MEDICAL division's sites are certified according to this standard.

In order to ensure product compliance, detect deviations as early as possible and quickly implement corrective actions, controllers and technicians are integrated into the APU of each of our plants.

4.2.4.4 - Action plans

The LISI MEDICAL division is stepping up collaboration and support on the innovation projects of its OEM customers in order to anticipate market trends and provide healthcare staff with efficient systems to improve the quality of life of patients.

Project management tools and cross-functional working methods have been adopted in order to be more agile and responsive with a view to meeting customer expectations. The New Product Introduction process includes the assessment of the capability of all the manufacturing processes implemented to ensure their reliability.

A Product Monitoring Plan is established for each article reference to ensure product compliance and prevent any non-compliant product deliveries.

However, if a defective product is identified, an incident management process is in place to enable them to be dealt with within the allotted time.

Each of the division's sites has adopted the Group's continuous improvement approach (LEAP) in order to achieve industrial excellence and is deploying numerous projects, some relying on digitalization and AI.

4.2.4.5 - Targets and results and analysis

In 2024, our quality targets were achieved for the division and show an improvement compared to 2023:

- No major non-compliance was noted during the ISO 13485: 2016 certification audits, a result equivalent to 2023.
- The cost of non-quality of 3.3% is stable compared to 2023, in particular thanks to the deployment of methods for analyzing the root causes of failures as soon as possible after they appear.

- The rate of products rejected by our customers was 394 ppm in 2024 while in 2023 it was 1,340 ppm. This positive trend shows the effectiveness of the action plans implemented to prevent failures.

- In 2024, as in previous years, the LISI MEDICAL division was not involved in any market recall calling into question the safety of products.

4.2.4.6 - Outlook and improvement plans

New customer products accounted for 2.0% of revenue in 2024, and must reach 20% in 2030 in order to continue to support our customers in their innovation process.

Our future action plans are part of a continuous improvement approach aimed at preventing the occurrence of failures, in particular through the automation of processes and detection systems.

4.3 PROFIT - Securing financial resources (additional issue)

4.3.1 Long-term financial strategy

The LISI Group is committed to maintaining a solid and resilient financial structure to ensure its sustainability and long-term investment capacity. Our financial strategy is based on prudent management of resources, with a particular focus on optimizing working capital requirements and generating positive free cash flow year after year.

We maintain a controlled level of debt and balanced financial ratios, allowing us to preserve our financial independence and strategic flexibility.

The diversification of our sources of financing, combined with an active policy of hedging financial risks, strengthens our resilience with respect to market fluctuations.

Our business model, based on long-term relationships with leading customers in the aerospace, automotive and medical sectors, contributes to the balanced growth of our revenues.

Investments are rigorously selected according to their value creation potential and their alignment with our sustainable development strategy.

4.3.2 Impacts, risks and opportunities (IRO)

The table below shows the Impacts, Risks and Opportunities resulting from the materiality analysis concerning the additional issue specific to LISI "Securing financial resources".

ESRS	Issues	Impacts and Risks	Opportunities
BD.b	Securing its financial resources aims to ensure the Group's sustainability by enabling its financing and therefore its long-term growth, through its capacity for investment, innovation, strategic independence, resilience to crises, as well as its financial performance	■ Dependence on certain financing players ■ Difficulty financing investments and innovation ■ Deterioration in financial performance linked to the cost of financing ■ Financial equilibrium and long-term sustainability under threat	■ Improved stock market appeal ■ Trust of financial and non-financial partners ■ Strategic independence ■ Long-term growth allowed

4.3.3 Integration of CSR issues in our financial decisions

Financial performance is managed with a long-term perspective, incorporating CSR issues and innovation as drivers for sustainable growth.

This involves prudent management of financial risks related to climate change, regulatory developments and increasing stakeholder expectations for responsible business practices.

By adopting a proactive approach, LISI is committed to reducing its carbon footprint, optimizing its value chains, investing in innovative and sustainable technologies, and developing solid relationships with its stakeholders.

In doing so, we strengthen our financial resilience while making a positive contribution to society and the environment.

Transparency and accountability are at the heart of our strategy, enabling us to respond effectively to current challenges while seizing new opportunities for sustainable growth.

Ultimately, securing our financial resources according to the ESRS standards of the CSRD is an essential step to ensuring that LISI remains a responsible and forward-thinking leader in the industry, prepared for a sustainable and prosperous future.

This approach allows us to maintain the confidence of our stakeholders, including financial stakeholders, while guaranteeing the resources necessary for our responsible development and the creation of shared value.

4.3.4 Sustainable or environmentally friendly capital expenditure

In 2023, the LISI Group reviewed its investment procedure (CAPEX) to align it with the 3P program (People, Planet, Profit) – see section 1.4.4.

From now on, each investment exceeding €250 thousand or relating to decarbonization (energy efficiency, renewable energies, building renovation, etc.) must include a carbon impact calculation in the decision-making. The assessment compares the Before/After situation for greenhouse gas emissions in tons of CO₂ equivalent.

This approach has made it possible to include a double entry decision matrix in each investment with:

- PROFIT - calculation of the IRR (rate of return on investment) and Payback
- PLANET - calculation of the carbon impact

The PEOPLE section is also included in each investment decision in a more qualitative form relating to the compliance of machines, the ergonomics of workstations, exposure to hazardous substances, noise, etc.

This approach has had the virtue of anchoring decarbonization and sustainability issues as drivers of sustainable growth. Another of its virtues is that it makes it possible to formalize and objectify the benefits/risks accepted and to build a narrative explaining the positions taken.

This approach has proved successful. Over the last three years, the share of sustainable investments has grown steadily.

Indeed, the proportion of environmentally friendly investments as a percentage of the total amount of investments for the year changed as follows:

- 2022: 2.2%
- 2023: 4.6%
- 2024: 7.3%

Proportion of sustainable Capex in total Capex	% of sustainable Capex	Of which Aerospace	Of which Automotive	Of which Medical
2022	2.2%	nd	nd	nd
2023	4.6%	3.4%	7.1%	3.3%
2024	7.3%	7.4%	6.9%	7.6%

In 2024, environmentally friendly capital expenditure represented:

- 3.0% in number of projects with 20 projects out of 672 dedicated to decarbonization in whole or in part
- 7.3% in amount with €6.4 million invested

	Nb of Capex	O/w Nb of sustainable Capex	% in Nb of sustainable Capex	Amount in € K of Capex	O/w Amount in €K of sustainable Capex	% in Amount of sustainable Capex
LISI AEROSPACE	375	8	2.1%	46,510	3,462	7.4%
LISI AUTOMOTIVE	229	8	3.5%	24,974	1,725	6.9%
LISI MEDICAL	68	4	5.9%	15,795	1,198	7.6%
LISI SA	0	0		—	—	
TOTAL	672	20	3.0%	87,279	6,385	7.3%

Note: these are CAPEX that have been approved and are therefore not yet recognized.

4.3.5 Impact financing

Each year, since 2022, LISI has carried out several impact loans based on criteria for achieving CSR objectives.

LISI has contracted the following loans:

- In 2022, a loan of €20 million, with a maturity of 7 years with a subsidized rate of 0.10% if the following three criteria are met: TF1, CO₂ emissions, Ecovadis rating;
- In 2023,
 - a loan of €15 million, with a maturity of 7 years with a subsidized rate of 0.10% if the following two criteria are met: TF1, CO₂ emissions;
 - a loan of €15 million with a maturity of 6 years with a subsidized rate of 0.10% based solely on the criterion of achieving the Ecovadis rating.

- In 2024, three new loans with CSR criteria were taken out,
 - a €15 million loan with a maturity of 7 years with a subsidized rate of 0.10% based solely on the criterion of CO₂ emissions;
 - a €10 million loan with a maturity of 5 years with a subsidized rate of 0.10% based on the Ecovadis rating;
 - a €7.5 million loan with a maturity of 7 years with a subsidized rate of 0.03% based on CO₂ emissions.

In total, impact financing represented €82.5 million. The expected rate subsidy if all the criteria are met is €246 thousand.

At the end of 2024, CSR criteria commitments seem to be on track to achieve the subsidy in the long term.

	2022 Loan	2023 Loan	2023 Loan	2024 Loan	2024 Loan	2024 Loan
Amount	€20 million	€15 million	€15 million	€10 million	€15 million	€7.5 million
Term	7 years	7 years	6 years	5 years	7 years	7 years
Interest rate subsidy	0.10%	0.10%		0.10%+ 0.10%	0.10%	0.03%
CSR criterion No. 1	TF1	TF1				
CSR criterion No. 2	CO ₂ emissions	CO ₂ emissions			CO ₂ emissions	CO ₂ emissions
CSR criterion No. 3	Ecovadis rating		Ecovadis rating	Ecovadis rating		

Lastly, for the first time, in 2023, LISI set up a green loan with BPI worth €10 million of green investments, which would be financed up to €5 million.

To date, 13 green investment projects are being considered for this loan.

- 4 photovoltaic panel projects for €4.0 million;
- 2 wind farm projects for €5.6 million;
- 2 electrolyzer projects to produce hydrogen for €0.6 million;

- 2 energy efficiency projects for €2.8 million;
- 1 hydroelectric turbine project for €0.6 million;
- 2 electric charging station projects for €0.2 million.

The majority of these projects are still at preliminary stages. The most advanced are detailed in the PLANET chapter.

	Number of projects	Amount in M€
LISI AEROSPACE	7	11.5
LISI AUTOMOTIVE	5	1.7
LISI SA	1	0.6
TOTAL	13	13.8

4.4 PROFIT - Responsible Purchasing

4.4.1 Responsible Purchasing

4.4.1.1 - Context and challenges

The LISI Group uses many suppliers and subcontractors. The issue did not emerge as material during the materiality analysis. Nevertheless, integrated into the group's strategy and coordinating a network of committed buyers, LISI

purchases contribute to the creation of value on each of the product lines and are an important component of the group's performance.

4.4.1.2 - Purchasing Policy and Supplier Charter

The LISI Group is working to set up a responsible and sustainable supply chain. This commitment was strengthened in 2023 with the formalization of a new charter for our suppliers.

The latter includes requirements in terms of social responsibility and also regarding quality certifications, the fight against corruption and the protection of information.

PURCHASING POLICY

Integrated into the Group's strategy and coordinating a network of committed buyers, Purchasing contributes to value creation across each of our product lines and has become a major component of LISI's performance.

BUYERS' CODE OF CONDUCT

All people involved in the purchasing process must comply with the LISI Code of Conduct and has a duty of care. Particular attention must be paid to integrity, conflicts of interest, gifts... These values are to be promoted by our suppliers (see supplier charter).

PURCHASING STRATEGIES

The Purchasing Department is responsible for managing external resources and must aim for high standards of overall performance to support the strategy of each division. The Purchasing Department is responsible for selecting suppliers based on criteria such as performance and competitiveness, control and optimization of the panel, TCO (Total Cost of Ownership) and risk management. The supplier's positioning in terms of CSR (Corporate Social Responsibility) must be particularly taken into account in the selection process. LISI wishes to develop a long-term, balanced and profitable partnership relationship with its major suppliers based on mutual trust.

SUPPLIERS' OPERATIONAL PERFORMANCE

The Purchasing Department ensures suppliers' performance results through global performance reviews, KPI (Key Performance Indicator) monitoring, reporting and action plans to achieve objectives. It must promote the use of LEAP (LISI Excellence Achievement Program) tools, incremental and disruptive innovation approaches so that suppliers improve their Quality, Costs, Lead Times and Innovation performance along with the enforcement of our CSR values.

- Quality**
 - Prefer suppliers certified as per the standards of each division
 - Measure and improve suppliers' quality performance
 - Conduct audits
 - Ensure that there is a continuous improvement approach and a quality assurance system that allows them to move towards zero defects
- Cost**
 - Negotiate the best prices and market
 - Improve our purchasing conditions by giving visibility to suppliers via LTAs (Long term Agreement).
 - Pool requirements and use Group contract
 - Reduce inventories in a controlled manner
 - Implement the payment deadlines defined by the LISI Group
 - Have suppliers bear the costs of failure to meet their Quality and Time commitments
- Lead Times**
 - Negotiate the use of modern supply chain management tools (KANBAN, VMI - Vendor Managed Inventory, digitalization of information flows, EDI - Electronic Data Interchange) to guarantee efficient logistics
 - Communicate forecasts and have suppliers confirm the available capacity

PURCHASING POLICY

Innovation

- Seek information from suppliers by relying on purchasing marketing, technological watch and the organization of tech days
- Encourage suppliers to develop eco-friendly solutions or products

Corporate Social Responsibility (CSR)

- The Purchasing Department integrates the ten principles of the United Nations Global Compact in its relations with suppliers. Consequently, LISI favors suppliers with demonstrated CSR policy especially in terms of Human development (Ethic, gender parity, workplace well-being, training program, Occupational Health & Safety...) and Environmental footprint reduction (CO2 footprint reduction, waste management...)

RISK CONTROL

- Check suppliers' insurance policies and associated levels of coverage
- Assess strategic suppliers' financial situation
- Check supplier compliance with regulations (Operating license, Conflict Minerals Act...)

WORKING METHOD / REPORTING / KPI

Add value

- Increase tasks with high added value and reduce administrative and/or repetitive tasks based notably on VSM (Value Stream Mapping)
- Set up and use efficient and effective tools by digitizing processes (automation of tasks, digital continuity, paperless, EDI, online catalogs...)

Improve

- Develop technical and managerial skills, particularly via the LK1 corporate university
- Rely on LEAP tools
- Benchmark internal (Buyers day, Forums...) and external best practices

Regularly visit our internal and external partners to understand their processes and make the best decisions

Manage information flows

- Help the company benefit from its privileged position as a "Supplier World" by collecting as much useful information as possible and disclosing it to the right internal contacts (Sales, R&D, Finance...)
- Communicate in good faith and honesty - Maintain a fair relationship with suppliers

Emmanuel VIELLARD
CEO, LISI



Christophe MARTIN
LISI Industrial and Purchasing Director



February 05th 2025

SUPPLIERS CHARTER

LISI is a global industrial group, specializing in the manufacture of high value-added assembly and components solutions for the aerospace, automotive and medical industries. LISI's relationship with its suppliers is an essential element of the company's success. LISI expects them to comply strictly with the laws and regulations in force in the countries where they are present or those where they fulfill the needs of LISI. The purpose of this charter is to set LISI's expectations regarding its suppliers. By fulfilling the conditions set out below, LISI undertakes to develop a lasting partnership with its suppliers and to offer opportunities to increase business relationships with all its entities worldwide.

SCOPE

The LISI group's SUPPLIER CHARTER applies equally to the Group and its three divisions LISI AEROSPACE, LISI AUTOMOTIVE and LISI MEDICAL. The best conditions granted by suppliers to a LISI site must apply to any site of the group, regardless of its division or location. The requirements of this charter must be deployed by suppliers to their own suppliers.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

LISI suppliers must commit to:

- Respect the 10 principles of the United Nations Global Compact Program - **GLOBAL COMPACT**
- Respect conflict minerals regulations - **CONFLICT MINERALS ACT**
- Respect products hazardous materials regulations associated with the countries where they are delivered - (example EU: **REACH, FDS, CLP, ROHS** or their equivalents for other countries)
- Comply with all anti-corruption laws and regulations
- Fight against all forms of discrimination
- Initiate an eco-responsible approach to the innovative design of products and services
- Respect the principles of **ISO 14001** and **ISO 45001** and converge as far as possible towards certification
- Reduce their environmental footprint by taking an ambitious, structured approach with clearly defined objectives
- Communicate each year the greenhouse gas (GHG) emissions associated with products and services purchased - LISI is committed to a decarbonization strategy (Scope 3 Upstream)

Suppliers must also be aware of and comply with LISI's **Anti-Corruption code of conduct**, which can be consulted on LISI's official website (ethics section): <https://www.LISI-group.com/fr/documentations.html>

LISI also provides everyone (including its suppliers) with an **alert system** in the event of non-compliance with this code of conduct. <https://www.LISI-group.com/fr/documentations.html>

LIABILITY AND INSURANCE

Suppliers working with the various divisions of LISI are aware of the criticality of its products and applications in the Aerospace, Automotive and Medical fields, and must assume their responsibilities by taking out the necessary insurance policies, from notoriously solvent companies, covering all direct and indirect costs in the event of failure of their supplies and/or services, including any financial consequences incurred throughout the supply chain right up to the final user.

For imports and exports, suppliers must ensure that their business practices comply with applicable laws, guidelines and regulations, and if necessary, obtain the required export control licenses.

SUPPLIERS CHARTER

QUALITY CERTIFICATIONS

For the supply of products and services that have a direct impact on the conformity of products manufactured by LISI, the implementation of a Quality Management System certified ISO 9001 is a prerequisite. **Certifications EN9100 for aeronautics, IATF 16949 for automotive and ISO 13485 for medical** are highly recommended.

RISK MANAGEMENT

Suppliers must have an **identification, prevention and risk management process** in place that is supported by adequate procedures (**security and continuing plan**).

OPERATING PERFORMANCE

Suppliers must meet all their **contractual commitments, particularly in terms of quality, price and delivery times**, and must also engage in a **continuous improvement process** in order to achieve operational excellence in all areas.

The LISI Group encourages its suppliers to suggest **shared innovation approaches that are profitable** for everyone and a source of mutual sustainability.

INFORMATION PROTECTION

In particular, LISI expects its suppliers to respect the principles of **ISO 27001** and the **TISAX label** (applicable to our LISI AUTOMOTIVE division), and to converge as far as possible towards the corresponding certifications.

Suppliers shall deal appropriately with sensitive confidential, proprietary and personal information and shall comply with applicable legislation concerning **intellectual property rights including protection against disclosure**, as well as with applicable national and supranational legislation concerning the **protection of personal data**. Suppliers shall implement appropriate physical and electronic security procedures, such as cyber security programs, and shall report to LISI any suspected or actual data breach or security incident as soon as they become aware of it.

PRESERVATION OF LISI'S IMAGE

Suppliers must ensure that they implement **all the necessary measures to maintain the image of LISI**.

Emmanuel VIELLARD
LISI CEO



Christophe MARTIN
LISI Industrial and Purchasing Director



February 5th, 2025

The LISI Supplier Charter is a key document that sets out the group's expectations of its suppliers. It covers:

- business ethics rules,
- quality standards,
- and environmental and corporate social responsibility requirements.

The charter applies to all divisions of LISI and requires that the best conditions offered at one site be extended to all of the group's sites as well as LISI. Suppliers must comply with the principles of the United Nations Global Compact, conflict minerals regulations, and anti-corruption laws. They must also adopt eco-responsible practices and reduce their environmental footprint. The charter includes new standards and labels, as well as enhanced CSR and information protection requirements. It has been updated to better align supplier practices with LISI's objectives.

It is distributed to 100% of suppliers, who must undertake to comply with it.

Since 2022, LISI has implemented assessment criteria to encourage its suppliers to adopt a sustainable and responsible

purchasing approach. For all awards of new contracts with an annual expenditure of more than €100,000, LISI has set up a supplier selection process that incorporates financial stability and non-financial performance criteria with the help of an external rating agency (Bureau Van Dijk).

Since 2023, all existing suppliers are also solicited. LISI has set up an internal procedure to identify its so-called "sensitive" suppliers from a CSR point of view according to various financial and non-financial criteria.

In 2024, 319 suppliers were identified as such and were assessed from a financial and non-financial point of view *via* the external rating agency (Bureau Van Dijk). The target for 2024 was to be able to assess 65% of these 319 suppliers deemed sensitive from a CSR point of view. LISI exceeded this expectation with 66.8% of these suppliers being assessed by Bureau Van Dijk.

Specific questionnaires were sent to around twenty suppliers in order to better detail their CSR policy and support them in its deployment. In 2025, the review of these questionnaires will be included in the annual performance reviews.

4.4.1.3 - Examples of actions

■ Joint actions and partnerships with our suppliers

LI SI is very committed to the suppliers with which it works. The Group has initiated numerous partnerships and joint actions, particularly in the areas of decarbonization.

For example:

- At the end of 2023, LISI AUTOMOTIVE formalized a strategic partnership with ArcelorMittal for the use and development of XCarb® steel from recycled and renewable sources. This partnership with ArcelorMittal is an important step towards a more sustainable future for our company and our planet. XCarb® is a major innovation that will allow us to significantly reduce our impact on the environment while maintaining the quality and performance that our customers expect from us. This collaboration will enable us to incorporate more environmentally friendly materials into our products, thus contributing to the transition to cleaner and more sustainable mobility.

Today, ArcelorMittal can manufacture wire rods with less than 700 kg of CO₂ per ton of steel in its Hamburg and Warsaw plants, saving up to 70% of CO₂ emissions compared to traditional blast furnace production methods. With the innovative DRI process, which is a key element of ArcelorMittal's decarbonization strategy, the impact of products on CO₂ will be further reduced. XCarb® steel from recycled and renewable sources is designed to produce low carbon emissions, while being robust and fully compatible with the high standards of the automotive industry in terms of safety and material performance.

For LISI AUTOMOTIVE, this partnership is part of the objective of reducing CO₂ emissions by 30% (for scopes 1, 2 and 3a) by 2030. Indeed, the purchase of XCarb® steel from recycled and renewable sources will represent a reduction of up to 45% in LISI AUTOMOTIVE's carbon emissions related to the purchase of raw materials from ArcelorMittal and a gross reduction of up to 10,000 metric tons of CO₂e (equivalent to the emissions of 10,000 Paris-New York journeys for 1 passenger).

- In the transport sector, specific actions have also been taken to reduce greenhouse gas emissions.
 - 1st example: our partner VECATEL is in charge of raw material and finished product shuttles in the Franche Comté sector. Diesel trucks have gradually given way to trucks running on LNG (Liquefied Natural Gas), which are less GHG-emitting and more efficient, during the "Milk Run" (multiple-stop delivery process; including several delivery points and several collection points for the same round. The concept: a fixed route that ends by returning to the starting point). This transformation reduces GHG emissions by an estimated 9 tCO₂/year, with a 61.5% reduction in NOx.
 - 2nd example: finished and semi-finished parts are transported regularly between Europe and China. These transports were often carried out by air. With our partner CLASQUIN, we have studied and implemented alternative solutions *via* rail or maritime transport. While these solutions take longer, they allow better control of GHG emissions and are well suited to regular transport.

■ Training of the purchasing community

The LISI Group continues to raise awareness among its Purchasing community (Central Purchasing, as well as its Purchasing Managers and site buyers) about Responsible Purchasing. Among the topics addressed, the teams were made aware of:

- the LISI code of conduct (business ethics, fight against corruption, etc.),
- the integration of new CSR criteria in the supplier selection and assessment process
- the integration of CSR clauses in our standard purchasing contracts,
- the impact of Purchases on the carbon footprint of LISI (Scope 3) and its most emitting commodities.

In 2024, LISI exceeded its target by training 65.5% of its purchasing community in Responsible Purchasing practices (the target was 60%).

■ LISI, a committed player

LISI Group is actively involved in responsible purchasing. This commitment is illustrated in particular by the signing of the Responsible Supplier Relations and Purchasing Charter (RFAR). The RFAR Charter, created in 2010 by the French Business Mediator and the National Purchasing Council, aims to promote responsible and sustainable purchasing practices between companies and their suppliers. It is based on ten commitments, including respect for human rights, preservation of the environment, and the promotion of social and environmental innovation. By signing this charter, LISI undertakes to respect these principles and to integrate them into its relations with its suppliers.

LISI also implements mechanisms to ensure a fair and transparent relationship with its suppliers. In the event of a dispute, a mediator is available to intervene and facilitate the resolution of disputes. This mediator plays a crucial role in ensuring that disputes are dealt with impartially and promptly, thus making it possible to maintain relationships of trust and cooperation with business partners.

In 2024, this mediator did not have to be contacted.

4.5 PROFIT - Indicateurs de la performance



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
EXCEED OUR CUSTOMERS' EXPECTATIONS										
ESG ratings								N/A		
ECOVADIS		nd	67/100	69/100	71/100			N/A		
CDP		D	B	B	A-			N/A		
ETHIFINANCE / GAIA		53	56	63	74			N/A		
MOODY'S		36	nd	44	nd			N/A		
ISS ESG			C-	C	nd			N/A		
BEST MANAGED COMPANIES			Winner	Winner	Winner			N/A		
Certifications										
ISO 14001 - nb de sites			36	38	41			ESRS E		ODD 9  CLEAN WATER AND SANITATION
ISO 45001 - nb de sites			36	36	41			ESRS S1		
ISO 50001 - nb de sites			5	5	7			ESRS E		
ISO 26000 - nb de sites			3	3	6			ESRS E		
New products										
% of revenue generated by new products - LISI AEROSPACE	nd	nd	7.8%	7.5%	7.6%			N/A	GRI 201-1	ODD 9  CLEAN WATER AND SANITATION
% of revenue generated by new products - LISI AUTOMOTIVE	nd	nd	12.8%	12.0%	12.4%			N/A	GRI 201-1	
% of revenue generated by new products - LISI MEDICAL	nd	nd	8.5%	5.0%	2.0%			N/A	GRI 201-1	
INVOLVE OUR SUPPLIERS										
% of strategic CSR suppliers assessed on CSR criteria	nd	nd	nd	57%	67%	65 %		N/A	GRI 414-1 ; 308-1	ODD 9  CLEAN WATER AND SANITATION
% of employees trained in the Code of Conduct	100%	100%	100%	100%	94%			N/A	GRI 103-1	ODD 16  PEACE, JUSTICE AND STRONG INSTITUTIONS
Financial Performance										
Revenue (M€)	1,729.5	1,163.9	1,452.2	1,630.4	1,749.0			N/A	GRI 201-1	ODD 8  DECENT WORK AND ECONOMIC GROWTH
EBIT - (% of revenue)	9.0%	5.7%	6.3%	5.5%	6.4%			N/A	GRI 201-1	
Free Cash Flow - (% of revenue)	5.9%	4.3%	1.3%	1.4%	3.2%			N/A	GRI 201-1	
ROCE	11.5%	5.0%	6.3%	6.3%	7.7%			N/A	GRI 201-1	
Inventories (nb of revenue days)	76	111	111	105	103			N/A	GRI 201-1	
LPD (> 30 days)	nd	3.5%	3.5%	2.4%	2.4%			N/A	GRI 201-1	
Breakeven point (M€ over 12 rolling months)	1,422.2	1,111.1	1,341.6	1,539.1	1,676.5			N/A	GRI 201-1	
Added value / payroll costs	1.44	1.34	1.36	1.31	1.37			N/A	GRI 201-1	
Capex (% of revenue)	6.8%	5.7%	7.7%	6.2%	7.5%			N/A	GRI 201-1	

5 Key indicators of PEOPLE, PLANET, PROFIT

Table of HSE indicators

 people	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD	
PROTECTING OUR EMPLOYEES											ODD 3
TF1 (LISI employees + temporary workers)	9.0	8.0	7.1	6.7	5.7	< 6	< 5	ESRS S-1	GRI 403-2	 GOOD HEALTH AND WELL-BEING	
TF1 LISI employees	8.0	7.9	6.1	5.7	5.4			ESRS S-1	GRI 403-2		
TF1 temporary workers	21.2	9.4	24.2	18.8	8.7			ESRS S-1	GRI 403-2		
TF0 LISI employees	5.9	6.0	4.9	3.5	3.8			ESRS S-1	GRI 403-2		
TF0 LISI employees + temporary workers	6.8	6.1	5.7	4.4	4.1			ESRS S-1	GRI 403-2		
RETAIN OUR TALENT											
Headcount (average FTE)	12,484	8,874	9,799	10,642	11,028			ESRS S-1	GRI 401-1		
Registered headcount	11,171	9,480	9,676	10,014	10,262			ESRS S-1	GRI 401-1		
% of Managers	10.6%	11.8%	13.1%	13.5%	14.1%			ESRS S-1	GRI 401-1		
Diversity & Inclusion											ODD 5
% of women in headcount	22.0%	23.0%	23.9%	23.6%	23.2%			ESRS S-1	GRI 405-1	 GENDER EQUALITY	
% of women Managers within Managers	24.6%	27.1%	28.3%	28.1%	28.4%	29.0%		ESRS S-1	GRI 405-1		
% of women Managers within the headcount	3.0%	3.2%	3.9%	3.8%	4.0%			ESRS S-1	GRI 405-1		
% of women within the governance Leadership Board	10.5%	17.4%	20.8%	20.0%	20.0%			ESRS S-1	GRI 405-1		
% of headcount with a disability	2.8%	4.3%	3.4%	3.0%	2.8%			ESRS S-1	GRI 405-1		
% of below 30 years old in headcount	nd	17.3%	17.5%	18.9%	19.6%			ESRS S-1	GRI 405-1		
% of above 50 years old in headcount	nd	27.6%	28.5%	28.4%	28.9%			ESRS S-1	GRI 405-1		
Turnover & retention											ODD 5 & 10
Nb of hires (with apprentices)	1,344	1,317	2,095	2,365	2,015			ESRS S-1	GRI 401-1	 GENDER EQUALITY	
% of hires - Managers	15.2%	12.5%	11.2%	11.6%	10.8%			ESRS S-1	GRI 405-1		
% of women within the hires				31.8%	29.2%			ESRS S-1	GRI 405-1	 REDUCED INEQUALITIES	
% of women Managers within the hires Managers				38.5%	31.6%			ESRS S-1	GRI 405-1		
Nb of departures	1,570	1,476	1,818	2,027	1,767			ESRS S-1	GRI 401-1		
Net result (Hires - Departures)	- 226	- 159	277	338	248			ESRS S-1	GRI 401-1		
Nb of resignations	691	619	849	808	695			ESRS S-1	GRI 401-1		
Resignations ratio over headcount	6.2%	6.5%	9.0%	8.1%	6.8%	7.0%		ESRS S-1	GRI 401-1		
Resignations ratio over nb of departures	44.0%	41.9%	46.7%	39.9%	39.3%			ESRS S-1	GRI 401-1		
% of women within the resignations	nd	nd	nd	31.4%	30.8%			ESRS S-1	GRI 405-1		
Turnover rate	13.0%	14.7%	20.2%	21.9%	18.9%			ESRS S-1	GRI 401-1		
Nb of promotions	nd	nd	589	439	500			ESRS S-1	GRI 401-1		
Proportion of Women in the promotions	nd	nd	43.5%	21.6%	21.8%			ESRS S-1	GRI 405-1		
Proportion of Women within the promotions to Managers	nd	nd	28.5%	43.3%	31.0%			ESRS S-1	GRI 405-1		
Proportion of Women within the promotions not managers	nd	nd	50.8%	20.0%	23.5%			ESRS S-1	GRI 405-1		
Promotion ratio over headcount	nd	nd	6.1%	4.4%	4.9%			ESRS S-1	GRI 401-1		
Promotion ratio of women to Managers	nd	nd	2.9%	0.7%	0.7%			ESRS S-1	GRI 405-1		
Commitment & Quality of life											ODD 5 & 10
Absenteeism	3.4%	4.2%	4.5%	3.9%	3.4%			ESRS S-1	GRI 401-1	 GENDER EQUALITY	
% of headcount that can work from home	nd	nd	nd	18.2%	17.0%			ESRS S-1	GRI 401-1		
Participation ratio to QWL survey	nd	65%	69%	71%	68%			ESRS S-1	GRI 401-1	 REDUCED INEQUALITIES	
Satisfaction ratio to QWL survey	77%	78%	75%	76%	82%			ESRS S-1	GRI 401-1		
Nb of harassment cases reported (sexual or moral)	nd	nd	nd	40	22			ESRS S-1	GRI 406-1		
Nb of discrimination cases reported	nd	nd	nd	8	3			ESRS S-1	GRI 406-1		
Nb of cases reported that have been investigated	nd	nd	nd	71%	96%			ESRS S-1	GRI 406-1		
% of cases reported over headcount	nd	nd	nd	0.5%	0.2%			ESRS S-1	GRI 406-1		



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
Training										
Nb of training hours	179,165	167,929	154,691	220,472	177,234			ESRS S-1	GRI 403-5	ODD 4 QUALITY EDUCATION
Nb of hours by headcount trained	nd	23	16	21	19			ESRS S-1	GRI 403-5	
Nb of headcount trained	nd	7,297	9,668	10,700	9,279			ESRS S-1	GRI 403-5	
Nb of hours by headcount trained	16	18	16	22	17			ESRS S-1	GRI 403-5	
% of women in total training hours				0	25.8%			ESRS S-1	GRI 403-5	
LKI - nb of interns	651	704	593	538	464			ESRS S-1	GRI 403-5	
LKI - nb of sessions	98	89	89	81	68			ESRS S-1	GRI 403-5	
LKI - nb of training hours	10,900	10,693	10,170	9,153	9,926			ESRS S-1	GRI 403-5	
% of HR (recruiters) trained to Non discrimination in France			100%	100%	unkn			ESRS S-1	GRI 403-5	
% of employees trained in Safety				100%	100%	100.0%		ESRS S-1	GRI 403-5	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
3 – PROTECT OUR ENVIRONMENT										
% of energy savings in Mwh thanks to projects vs Y-1	nd	nd	nd	1.7%	1.8%	1.5%		ESRS E-1	GRI 302-4	ODD 7, 13 AFFORDABLE AND CLEAN ENERGY
% of renewable energies produced on site	nd	nd	nd	0.3%	0.7%			ESRS E-1	GRI 302-4	
% of recycled wastes	72.5%	74.4%	75.0%	73.5%	73.8%			ESRS E-5	GRI 306-4	ODD 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
% of capex dedicated to reduce our CO ₂ emissions	nd	nd	2.2%	4.6%	7.3%			BD-b	N/A	ODD 7 AFFORDABLE AND CLEAN ENERGY
4 – WORK IN OUR REGIONS										
% of sites in water hydric stress zone with an action plan	nd	nd	nd	18%	65%	100%		ESRS E-5	GRI 303-1; 303-2	ODD 6 CLEAN WATER AND SANITATION
GREENHOUSE GAS EMISSIONS - By Scope (T CO₂)										
Scope 1	40,990	35,799	28,201	25,183	26,032			ESRS E-1	GRI 305-1	ODD 7, 13 AFFORDABLE AND CLEAN ENERGY
Scope 2	65,542	64,424	42,162	46,387	41,781			ESRS E-1	GRI 305-2	
Total - Scopes 1 & 2 [T CO₂]	106,532	100,223	70,363	71,570	67,813			ESRS E-1	GRI 305-1	 CLIMATE ACTION
Scope 3	402,790	226,591	530,291	570,796	553,893			ESRS E-1	GRI 305-1	
Total - Scopes 1, 2 & 3 [T CO₂]	509,322	326,814	600,654	642,366	621,706			ESRS E-1	GRI 305-1	
Scopes 1 + 2 + 3 partial - historically comparable	509,322	326,814	291,487	321,410	312,248	-30%		ESRS E-1	GRI 305-1	
Scopes 3 partial - historically comparable	402,790	226,591	203,906	236,615	228,071			ESRS E-1	GRI 305-1	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
GREENHOUSE GAS EMISSIONS - By Item (T CO₂)										
GHG Natural Gas (T CO ₂)	37,174	32,590	23,625	22,489	22,941			ESRS E-1	GRI 305-1	ODD 7 AFFORDABLE AND CLEAN ENERGY
GHG Domestic heating fuel (T CO ₂)	460	212	205	199	197			ESRS E-1	GRI 305-1	
GHG LPG (T CO ₂)	1,206	1,372	1,090	865	664			ESRS E-1	GRI 305-1	
GHG Vehicles owned (T CO ₂)	621	287	304	283	196			ESRS E-1	GRI 305-1	
GHG Private vehicles under lease (T CO ₂)	2	2	1,691	1,691	852			ESRS E-1	GRI 305-1	
GHG Fugitive emissions from refrigerants (T CO ₂)	1,527	1,335	1,286	1,341	1,182			ESRS E-1	GRI 305-1	
Total - Scope 1 [T CO₂]	40,990	35,798	28,201	26,868	26,032			ESRS E-1	GRI 305-2	
GHG Electricity (T CO ₂)	65,542	64,424	42,015	46,274	41,637			ESRS E-1	GRI 305-2	
GHG Heating network (T CO ₂)	0	0	147	113	144			ESRS E-1	GRI 305-2	
Total - Scope 2 [T CO₂]	65,542	64,424	42,162	46,387	41,781			ESRS E-1	GRI 305-2	
Total - Scopes 1 & 2 [T CO₂]	106,532	100,222	70,363	73,255	67,812			ESRS E-1	GRI 305-1	
Purchases of goods & services (other than Raw materials) (T CO ₂)			183,201	213,205	196,020			ESRS E-1	GRI 305-1	ODD 13 CLIMATE ACTION
Consumption of raw materials (T CO ₂)	390,912	216,932	189,054	218,114	212,413			ESRS E-1	GRI 305-1	
Capex (T CO ₂)			80,212	66,329	71,146			ESRS E-1	GRI 305-1	
Fuel and energy related activities (not included in Scope 1 or 2)	Intégrés au Scopes 1 et 2		17,218	16,225	16,363			ESRS E-1	GRI 305-1	
Upstream transport (T CO ₂)	11,878	9,659	14,852	15,501	15,658			ESRS E-1	GRI 305-1	
Wastes generated by operations (T CO ₂)			31,395	30,301	30,475			ESRS E-1	GRI 305-1	
Business Travel (T CO ₂)			564	717	489			ESRS E-1	GRI 305-1	
Communiting (T CO ₂)			13,795	10,403	11,330			ESRS E-1	GRI 305-1	
Upstream leased assets (T CO ₂)				0	0			ESRS E-1	GRI 305-1	
Total - Scope 3 [T CO₂]	402,790	226,591	530,291	570,795	553,893			ESRS E-1	GRI 305-1	
Total - Scopes 1, 2 & 3 [T CO₂]	509,322	326,813	600,654	644,050	621,706			ESRS E-1	GRI 305-1/2	
WATER CONSUMPTION IN M³										
City water consumptions	522,785	308,271	342,900	336,375	384,473			ESRS E-5	GRI 303-5	ODD 6 CLEAN WATER AND SANITATION
Consumption for water drawn from the natural environment	267,771	205,187	252,289	131,977	141,129			ESRS E-5	GRI 303-3	
Rainwater recovery				8,039	11,544			ESRS E-5	GRI 303-3	
Total - Water consumption (in m³)	790,556	513,458	595,189	476,391	537,146			ESRS E-5	GRI 303-5	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
ENERGY CONSUMPTION IN MWH										
Electricity from network (non renewable)	311,181	262,895	276,260	277,256	274,707			ESRS E-1	GRI 302-1	ODD 7 ; 13  
Electricity from network (renewable)	nd	nd	nd	nd	7,337			ESRS E-1		
Natural gas	157,679	146,077	136,262	124,417	127,009			ESRS E-1		ODD 7 ; 13  AFFORDABLE AND CLEAN ENERGY  CLIMATE ACTION
Biogas	nd	nd	nd	nd	0			ESRS E-1	GRI 302-1	
LPG	5,348	5,044	4,680	3,714	2,851			ESRS E-1	GRI 302-1	
Domestic fuel	1,417	675	753	736	726			ESRS E-1	GRI 302-1	
Other energies	570	1,224	949	728	929			ESRS E-1	GRI 302-1	
Renewable electricity production (sold to network)	0	0	0	0	0			ESRS E-1	GRI 302-1	
Renewable electricity production (self consumed)	0	0	0	1,022	2,131			ESRS E-1	GRI 302-1	
TOTAL	476,195	415,915	418,904	406,851	415,691			ESRS E-1	GRI 302-1	
Revenue (In M€)	1,730	1,164	1,425	1,630	1,790			NA		
Intensity ration (Consumption / Revenue)	275	357	294	250	232			NA	GRI 302-3	ODD 7 ; 13  
BREAKDOWN OF TOTAL ENERGY CONSUMPTIONS (in MWH) BY COUNTRY										
France	313,426	268,486	257,801	247,039	252,426			ESRS E-1	GRI 302-1	ODD 7 ; 13  AFFORDABLE AND CLEAN ENERGY  CLIMATE ACTION
United States	44,906	47,092	58,446	56,900	57,674			ESRS E-1	GRI 302-1	
Germany	44,330	38,917	39,143	37,695	36,799			ESRS E-1	GRI 302-1	
Spain	21,734	17,573	15,908	16,418	17,480			ESRS E-1	GRI 302-1	
Turkey	11,585	8,675	11,359	12,472	12,368			ESRS E-1	GRI 302-1	
Canada	9,289	8,095	8,469	8,490	8,571			ESRS E-1	GRI 302-1	
United Kingdom	12,149	6,870	7,337	7,690	7,820			ESRS E-1	GRI 302-1	
Czech republic	6,949	6,272	6,174	5,966	5,425			ESRS E-1	GRI 302-1	
China	4,799	4,905	5,904	4,478	4,710			ESRS E-1	GRI 302-1	
Mexico	4,724	4,735	3,577	4,222	4,476			ESRS E-1	GRI 302-1	
Poland	3,159	3,011	3,361	3,427	3,297			ESRS E-1	GRI 302-1	
Morocco	3,565	1,285	1,421	2,054	2,514			ESRS E-1	GRI 302-1	
OUR WASTES (IN TONS)										
Metals	22,220	17,092	21,891	19,725	19,684			ESRS E-5	GRI 306-3	ODD 12  RESPONSIBLE CONSUMPTION AND PRODUCTION
Paper - Cardboard	617	398	377	510	474			ESRS E-5	GRI 306-3	
Plastic	329	347	271	356	462			ESRS E-5	GRI 306-3	
Wood	917	614	674	718	774			ESRS E-5	GRI 306-3	
Oils	2,412	2,141	2,113	2,254	2,044			ESRS E-5	GRI 306-3	
Other non-hazardous waste	2,966	1,768	2,230	2,255	2,301			ESRS E-5	GRI 306-3	
Hazardous waste (without oil)	13,026	9,894	11,051	11,598	11,775			ESRS E-5	GRI 306-3	
Total - Wastes (in Ton)	42,487	32,254	38,607	37,416	37,513			ESRS E-5	GRI 306-3	
BREAKDOWN OF GENERATED WASTES										
% recycling	66%	67%	67%	68%	66%			ESRS E-5	GRI 306-1 ; 306-4	ODD 12  RESPONSIBLE CONSUMPTION AND PRODUCTION
% energy recovery	8%	8%	8%	6%	8%			ESRS E-5	GRI 306-1 ; 306-4	
% physic-chemical treatment	15%	15%	13%	13%	15%			ESRS E-5	GRI 306-1 ; 306-5	
% landfill	5%	5%	4%	4%	4%			ESRS E-5	GRI 306-1 ; 306-5	
% other treatment	7%	6%	8%	9%	7%			ESRS E-5	GRI 306-1 ; 306-5	
% of recycled wastes	73%	74%	75%	74%	74%			ESRS E-5	GRI 306-4	



	Baseline year 2019	Results 2021	Results 2022	Results 2023	Results 2024	Target 2025	Target 2030	ESRS	GRI	ODD
EXCEED OUR CUSTOMERS' EXPECTATIONS										
ESG ratings								N/A		
ECOVADIS		nd	67/100	69/100	71/100			N/A		
CDP		D	B	B	A-			N/A		
ETHIFINANCE / GAIA		53	56	63	74			N/A		
MOODY'S		36	nd	44	nd			N/A		
ISS ESG			C-	C	nd			N/A		
BEST MANAGED COMPANIES			Winner	Winner	Winner			N/A		
Certifications										
ISO 14001 - nb de sites			36	38	41			ESRS E		
ISO 45001 - nb de sites			36	36	41			ESRS S1		
ISO 50001 - nb de sites			5	5	7			ESRS E		
ISO 26000 - nb de sites			3	3	6			ESRS E		
New products										
% of revenue generated by new products - LISI AEROSPACE	nd	nd	7.8%	7.5%	7.6%			N/A	GRI 201-1	ODD 9  INDUSTRY, INNOVATION, AND INFRASTRUCTURE
% of revenue generated by new products - LISI AUTOMOTIVE	nd	nd	12.8%	12.0%	12.4%			N/A	GRI 201-1	
% of revenue generated by new products - LISI MEDICAL	nd	nd	8.5%	5.0%	2.0%			N/A	GRI 201-1	
INVOLVE OUR SUPPLIERS										
% of strategic CSR suppliers assessed on CSR criteria	nd	nd	nd	57%	67%	65%		N/A	GRI 414-1 ; 308-1	ODD 9  INDUSTRY, INNOVATION, AND INFRASTRUCTURE
% of employees trained in the Code of Conduct	100%	100%	100%	100%	94%			N/A	GRI 103-1	ODD 16  PEACE, JUSTICE AND STRONG INSTITUTIONS
Revenue (M€)	1,729.5	1,163.9	1,452.2	1,630.4	1,749.0			N/A	GRI 201-1	ODD 8  DECENT WORK AND ECONOMIC GROWTH
EBIT - (% of revenue)	9.0%	5.7%	6.3%	5.5%	6.4%			N/A	GRI 201-1	
Free Cash Flow - (% of revenue)	5.9%	4.3%	1.3%	1.4%	3.2%			N/A	GRI 201-1	
ROCE	11.5%	5.0%	6.3%	6.3%	7.7%			N/A	GRI 201-1	
Inventories (nb of revenue days)	76	111	111	105	103			N/A	GRI 201-1	
LPD (> 30 days)	nd	3.5%	3.5%	2.4%	2.4%			N/A	GRI 201-1	
Breakeven point (M€ over12 rolling months)	1,422.2	1,111.1	1,341.6	1,539.1	1,676.5			N/A	GRI 201-1	
Added value / payroll costs	1.44	1.34	1.36	1.31	1.37			N/A	GRI 201-1	
Capex (% of revenue)	6.8%	5.7%	7.7%	6.2%	7.5%			N/A	GRI 201-1	

6 Appendices

ANNEX 1: Correspondence table of the DRs

DR	DR name	Page number
BP-1	BP-1 - General basis for preparation of the sustainability statement	148
BP-2	BP-2 - Disclosures in relation to specific circumstances	148
GOV-1	GOV-1 - The role of the administrative, management and supervisory bodies	173, 308
GOV-2	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	174, 308
GOV-3	GOV-3 - Integration of sustainability-related performance in incentive schemes	174, 308
GOV-4	GOV-4 - Statement on due diligence	177
GOV-5	GOV-5 - Risk management and internal controls over sustainability reporting	178, 297, 302
IRO-1	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	164
IRO-2	IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	167, 186
SBM-1	SBM-1 - Strategy, business model and value chain	162
SBM-2	SBM-2 - Interests and views of stakeholders	162
SBM-3	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	162, 164 167
MDR-A	MDR-A - Actions and resources in relation to material sustainability matters	148 à 151
MDR-M	MDR-M - Metrics in relation to material sustainability matters	148 à 151
MDR-P	MDR-P - Policies adopted to manage material sustainability matters	148 à 151
MDR-T	MDR-T - Tracking effectiveness of policies and actions through targets	148 à 151
E1-GOV-3	E1-GOV-3 - Integration of sustainability-related performance in incentive schemes	174, 251, 308
E1-IRO-1	E1-IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	173, 186
E1-SBM-3	E1-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	173, 186
E1.MDR	E1.MDR - Minimum disclosure requirements	173, 186
E1-1	E1-1 - Transition plan for climate change mitigation	198
E1-2	E1-2 - Policies related to climate change mitigation and adaptation	183
E1-3	E1-3 - Actions and resources in relation to climate change policies	198
E1-4	E1-4 - Targets related to climate change mitigation and adaptation	191
E1-6	E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	191
E1-7	E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	186
E2.MDR	E2.MDR - Minimum disclosure requirements	207
E3.MDR	E3.MDR - Minimum disclosure requirements	203, 204
E4-SBM-3	E4-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	208
E4.MDR	E4.MDR - Minimum disclosure requirements	208
E5-IRO-1	E5-IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	185
E5.MDR	E5.MDR - Minimum disclosure requirements	203
E5-1	E5-1 - Policies related to resource use and circular economy	203
E5-4	E5-4 - Resource inflows	Not applicable
S1-SBM-3	S1-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	219, 228
S1.MDR	S1.MDR - Minimum disclosure requirements	218, 227
S1-1	S1-1 - Policies related to own workforce	151, 218, 227, 229, 245, 259
S1-2	S1-2 - Processes for engaging with own workforce and workers' representatives about impacts	152, 228, 245
S1-3	S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns	228, 245, 259

DR	DR name	Page number
S1-4	S1-4 - Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	218, 245
S1-5	S1-5 - Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	218, 245
S1-6	S1-6 - Characteristics of the undertaking's employees	229
S1-7	S1-7 - Characteristics of non-employees in the undertaking's own workforce	229
S1-8	S1-8 - Collective bargaining coverage and social dialogue	249
S1-9	S1-9 - Diversity metrics	240, 308
S1-10	S1-10 - Adequate wages	251
S1-11	S1-11 - Adequate wages	251
S1-12	S1-12 - Persons with disabilities	240
S1-13	S1-13 - Training and skills development metrics	237
S1-15	S1-15 - Work-life balance metrics	245
S1-16	S1-16 - Remuneration metrics	251
S1-17	S1-17 - Incidents, complaints and severe human rights impacts	225
S2-SBM-3	S2-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Not applicable
S2.MDR	S2.MDR - Minimum disclosure requirements	Not applicable
S3-SBM-3	S3-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Not applicable
S3.MDR	S3.MDR - Minimum disclosure requirements	Not applicable
S4-SBM-3	S4-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	164
S4.MDR	S4.MDR - Minimum disclosure requirements	Not applicable
G1-GOV-1	G1-GOV-1 - The role of the administrative, management and supervisory bodies	312
G1.MDR	G1.MDR - Minimum disclosure requirements	259
G1-1	G1-1 - Business conduct policies and corporate culture	259
G1-2	G1-2 - Management of relationships with suppliers	270
G1-6	G1-6 - Payment practices	138

Annex 2: Correspondence table of the summary with the DRs

Chapter	Title	No.	Disclosure Requirements
4 - Sustainability report	GOVERNANCE AND STRATEGY - General information (ESRS 2)	1	BP-1; BP-2; E1.IRO-1; E1.MDR-T; E1.SBM-3; GOV-4; GOV-5; IRO-1; IRO-2; MDR-A; MDR-P; MDR-T; S1-1; S1-2; S4.SBM-3; SBM-1; SBM-2; SBM-3
4 - Sustainability report	Reporting basis for the statement	1.1	BP-1; MDR-P; S1-1
4 - Sustainability report	Strategy	1.2	MDR-P; S1-1; S1-2; SBM-2; SBM-3
4 - Sustainability report	PEOPLE, PLANET, PROFIT: Our commitments and highlights	1.2.1	S1-2
4 - Sustainability report	Integration into the Group's CSR strategy (SBM-1)	1.2.2	SBM-2; SBM-3
4 - Sustainability report	Materiality analysis and management of impacts, risks and opportunities	1.3	BP-2;
4 - Sustainability report	Identification and assessment process (IRO-1)	1.3.1	IRO-1; IRO-2;
4 - Sustainability report	Integration of stakeholders (SBM-2)	1.3.2	S4.SBM-3
4 - Sustainability report	Results of the materiality analysis (IRO-2, SBM-3)	1.3.3	BP-2; SBM-1; SBM-3; S4.SBM-3; SBM-1; SBM-3
4 - Sustainability report	Governance and policies adapted to the challenges	1.4	E1.IRO-1; E1.MDR-T; E1.SBM-3; MDR-A; MDR-P; MDR-T
4 - Sustainability report	The role of the administrative, management and supervisory bodies (GOV-1)	1.4.1	GOV-1
4 - Sustainability report	Information provided and sustainability matters addressed (GOV-2)	1.4.2	GOV-2
4 - Sustainability report	Integration of CSR issues in incentive policy (GOV-3)	1.4.3	GOV-3
4 - Sustainability report	Investment policy integrating CSR issues	1.4.4	
4 - Sustainability report	The responsible purchasing policy integrating CSR issues	1.4.5	
4 - Sustainability report	Reporting adapted to the issues	1.4.6	
4 - Sustainability report	Statement on the due diligence process	1.4.7	GOV-4
4 - Sustainability report	Risk management and internal controls over sustainability reporting (GOV-5)	1.4.8	GOV-5
4 - Sustainability report	Policy adopted to manage material and compliance issues	1.5	
4 - Sustainability report	International frameworks and external expertise	1.5.1	
4 - Sustainability report	ISO 14001 / ISO 45001 / ISO 50001 / ISO 26000 certifications	1.5.2	
4 - Sustainability report	CSRD and Duty of Care	1.5.3	
4 - Sustainability report	PLANET - Environmental information (ESRS E)	2	E1.IRO-1; E1.MDR-A; E1.MDR-P; E1-1; E1-2; E1-3; E1-4; E1-6; E1-7; E2.MDR-A; E2.MDR-P; E2.MDR-T; E3.MDR-A; E3.MDR-P; E3.MDR-T; E4.MDR-A; E4.MDR-P; E4.MDR-T; E4.SBM-3; E5.IRO-1; E5.MDR-A; E5.MDR-P; E5.MDR-T; E5-1; G1.MDR-P; IRO-2; MDR-A; MDR-M; MDR-T; S1-1
4 - Sustainability report	Context and challenges	2.1	
4 - Sustainability report	LISI and the management of resource inflows [ESRS E5]	2.1.1	
4 - Sustainability report	LISI addressing the challenges of climate change [ESRS E1]	2.1.2	
4 - Sustainability report	Policy and targets	2.2	E1-2
4 - Sustainability report	LISI AUTOMOTIVE goes G.R.E.E.N.	2.2.1	
4 - Sustainability report	Team training & environmental culture	2.2.2	
4 - Sustainability report	Governance and organization	2.3	
4 - Sustainability report	Reminder of environmental IROs	2.4	E5.IRO-1
4 - Sustainability report	PLANET - Climate change mitigation (ESRS E1)	2.5	E1.IRO-1; E1.MDR-A; E1.MDR-P; E1.MDR-T; E1.SBM-3; E1-1; E1-3; E1-4; E1-6; E1-7; G1.MDR-P; IRO-2; MDR-A; MDR-P; MDR-T
4 - Sustainability report	Climate transition strategy	2.5.1	E1.IRO-1; E1.MDR-P; E1.SBM-3; E1-7
4 - Sustainability report	Action plans	2.5.2	E1.MDR-A; E1-7; MDR-A

Chapter	Title	No.	Disclosure Requirements
4 - Sustainability report	Carbon Assessment - Greenhouse gas emissions	2.5.3	E1-4; E1-6; E1-7
4 - Sustainability report	Outlook and improvement plans	2.5.4	E1-1; E1-3
4 - Sustainability report	PLANET - Resource inflows and resource use (ESRS E5)	2.6	E3.MDR-A; E3.MDR-P; E3.MDR-T; E5.MDR-A; E5.MDR-P; E5.MDR-T; E5-1; MDR-T
4 - Sustainability report	Resource optimization actions	2.6.1	E3.MDR-A; E3.MDR-P; E3.MDR-T; E5.MDR-A
4 - Sustainability report	Results and analysis	2.6.2	
4 - Sustainability report	Outlook and improvement plans	2.6.3	E5.MDR-T
4 - Sustainability report	PLANET - Other environmental information	2.7	E2.MDR-A; E2.MDR-P; E2.MDR-T; E4.MDR-A; E4.MDR-P; E4.MDR-T; E4.SBM-3; MDR-A; MDR-P; MDR-T ;
4 - Sustainability report	Pollution and environmental nuisances	2.7.1	E2.MDR-A; E2.MDR-P; E2.MDR-T; MDR-A; MDR-P; MDR-T ;
4 - Sustainability report	Biodiversity and ecosystems	2.7.2	E4.MDR-A; E4.MDR-P; E4.MDR-T; E4.SBM-3
4 - Sustainability report	Information on the European Taxonomy	2.8	MDR-A; MDR-P; MDR-T; S1-1
4 - Sustainability report	Scope 2024	2.8.1	MDR-A; MDR-P; MDR-T
4 - Sustainability report	Methodology for analyzing eligible and aligned activities	2.8.2	MDR-A; MDR-P; MDR-T; S1-1
4 - Sustainability report	Turnover	2.8.3	
4 - Sustainability report	CAPEX	2.8.4	
4 - Sustainability report	OPEX	2.8.5	
4 - Sustainability report	PLANET – Performance metrics	2.9	MDR-M
4 - Sustainability report	PEOPLE - Social information (ESRS S)	3	MDR-M; MDR-T; S1.MDR-A; S1.MDR-P; S1.MDR-T; S1.SBM-3; S1-1; S1-10; S1-11; S1-12; S1-13; S1-15; S1-16; S1-17; S1-2; S1-4; S1-5; S1-6; S1-7; S1-8; SBM-1
4 - Sustainability report	PEOPLE - Occupational health and safety (ESRS S1)	3.1	MDR-T; S1.MDR-A; S1.MDR-P; S1.MDR-T; S1-1; S1-4; S1-5 ;
4 - Sustainability report	Strategic context and challenges	3.1.1	S1.SBM-3
4 - Sustainability report	Policy and commitments	3.1.2	S1-1
4 - Sustainability report	Impacts, risks and opportunities (IRO)	3.1.3	S1.MDR-P; S1.MDR-T; S1.SBM-3
4 - Sustainability report	Governance and resources	3.1.4	
4 - Sustainability report	Actions	3.1.5	S1.MDR-A
4 - Sustainability report	Results and analysis	3.1.6	S1.MDR-T
4 - Sustainability report	Outlook and improvement plans	3.1.7	
4 - Sustainability report	PEOPLE - Working conditions of LSI employees & Human Capital Development (ESRS S1)	3.2	MDR-T; S1.MDR-A; S1.MDR-P; S1.MDR-T; S1.SBM-3; S1-1; S1-10; S1-11; S1-12; S1-13; S1-15; S1-16; S1-17; S1-2; S1-4; S1-5; S1-6; S1-7; S1-8; SBM-1 ;
4 - Sustainability report	Strategic context and challenges	3.2.1	
4 - Sustainability report	Policy and commitments	3.2.2	S1.MDR-P; S1.SBM-3; S1-1
4 - Sustainability report	Impacts, risks and opportunities (IRO)	3.2.3	S1.MDR-P; S1.MDR-T; S1.SBM-3
4 - Sustainability report	Governance and resources	3.2.4	
4 - Sustainability report	Actions, results and targets - Human capital development	3.2.5	S1.MDR-A; S1.MDR-T; S1.SBM-3; S1-1; S1-12; S1-13; S1-17; S1-2; S1-6; S1-7; SBM-1
4 - Sustainability report	Actions, results and targets - Working conditions and well-being of employees - excluding health and safety	3.2.6	S1-1; S1-10; S1-11; S1-15; S1-16; S1-2; S1-4; S1-5; S1-8
4 - Sustainability report	Outlook and improvement plans	3.2.7	
4 - Sustainability report	PEOPLE – Performance metrics	3.3	MDR-M
4 - Sustainability report	PROFIT - Information Relating to the Conduct of Business (ESRS G)	4	E1.SBM-3; G1.MDR-A; G1-1; G1-2; MDR-A; MDR-M; MDR-T; S1-1; S1-3
4 - Sustainability report	PROFIT - Corporate culture (ESRS G1)	4.1	G1.MDR-A; G1-1; MDR-A; MDR-T; S1-1; S1-3 ;
4 - Sustainability report	Strategic context and challenges	4.1.1	G1-1
4 - Sustainability report	Policy and commitments	4.1.2	G1.MDR-A; G1-1; MDR-A; S1-1
4 - Sustainability report	Impacts, risks and opportunities (IRO)	4.1.3	G1-1
4 - Sustainability report	Governance and resources	4.1.4	G1-1
4 - Sustainability report	Actions	4.1.5	G1-1; S1-3

Chapter	Title	No.	Disclosure Requirements
4 - Sustainability report	Results	4.1.6	G1.MDR-A; MDR-A
4 - Sustainability report	Outlook and improvement plans	4.1.7	
4 - Sustainability report	PROFIT - Innovation, quality and safety - (additional issue)	4.2	MDR-T
4 - Sustainability report	Impacts, risks and opportunities	4.2.1	
4 - Sustainability report	PROFIT - Innovation, quality and safety - Aeronautics sector (additional issue)	4.2.2	
4 - Sustainability report	PROFIT - Innovation, quality and safety - Automotive sector (additional issue)	4.2.3	
4 - Sustainability report	PROFIT - Innovation, quality and safety - Medical sector (additional issue)	4.2.4	
4 - Sustainability report	PROFIT - Securing financial resources (additional issue)	4.3	MDR-T
4 - Sustainability report	Long-term financial strategy	4.3.1	
4 - Sustainability report	Impacts, risks and opportunities (IRO)	4.3.2	
4 - Sustainability report	Integration of CSR issues in our financial decisions	4.3.3	
4 - Sustainability report	Sustainable or environmentally friendly capital expenditure	4.3.4	
4 - Sustainability report	Impact financing	4.3.5	
4 - Sustainability report	PROFIT - Responsible Purchasing	4.4	MDR-T; S1-1
4 - Sustainability report	Responsible Purchasing	4.4.1	S1-1
4 - Sustainability report	PROFIT – Performance metrics	4.5	MDR-M
6 - Corporate governance			GOV-1 ; GOV-2 ; GOV-3 ;
5 - Risk factors			GOV-5 ;

Annex 3: List of data points in transversal and topical standards arising from other EU legislative acts

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS 2 GOV-1 Board's gender diversity paragraph 21, point d)	Metric no 13, Table 1, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		URD Chapter 6
ESRS 2 GOV-1 Percentage of board members who are independent directors paragraph 21, point e)			Annex II of Commission Delegated Regulation (EU) 2020/1816		URD Chapter 6
ESRS 2 GOV-4 Due diligence statement paragraph 30	Metric no 10, Table 3, Annex I				§1.4.7
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40, point d) i)	Metric no 4, Table 1, Annex I	Article 449 bis of Regulation (EU) No. - 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II of Commission Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40, point d) ii)	Metric no 9, Table 2, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40, point d) iii)	Metric no 14, Table 1, Annex I		Article 12 (1) of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40, point d) iv)			Delegated Regulation (EU) 2020/1818, Article 12 (1) of Delegated Regulation (EU) 2020/1816, Annex II.		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Article 2 (1) of Regulation (EU) 2021/1119	§2.5.4
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16, point g)		Article 449 bis Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12 (1) (d) to (g) and Article 12 (2) of Delegated Regulation (EU) 2020/1818		Not applicable

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS E1-4 GHG emission reduction targets paragraph 34	Metric no 4, Table 2, Annex I	Article 449 bis Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book - Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		§2.5
ESRS E1-5 Consumption of energy from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Metric no 5, Table 1, and metric no 5, Table 2, Annex I				§2.5.2
ESRS E1-5 Energy consumption and mix paragraph 37	Metric no 5, Table 1, Annex I				§2.5.2
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Metric no 6, Table 1, Annex I				Not applicable
ESRS E1-6 Gross GHG emissions of scopes 1, 2 or 3 and total GHG emissions paragraph 44	Metrics no 1 and no 2, Table 1, Annex I	Article 449 bis of Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5 (1), 6 and 8 (1) of Delegated Regulation (EU) 2020/1818		§2.5.3
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Metric no 3, Table 1, Annex I	Article 449 bis of Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book - Climate change transition risk: alignment metrics	Article 8 (1) of Delegated Regulation (EU) 2020/1818		§2.9
ESRS E1-7 GHG removals and carbon credits paragraph 56				Article 2 (1) of Regulation (EU) 2021/1119	§2.5.2
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		§2.8
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66, point c)		Article 449 bis of Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47, template 5: Banking book - Climate change physical risk: exposures subject to physical risk.			Non-material
ESRS E1-9 Breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency class paragraph 67, point c)		Article 449 bis of Regulation (EU) No. 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, template 2: Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			Non-material

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Annex II of Commission Delegated Regulation (EU) 2020/1818		Non-material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Metric no 8, Table 1, Annex I; metric no 2, Table 2, Annex I, metric no 1, Table 2, Annex I; metric no 3, Table 2, Annex I				Non-material
ESRS E3-1 Water and marine resources, paragraph	Metric no 7, Table 2, Annex I				Non-material
ESRS E3-1 Dedicated policy paragraph 13	Metric no 8, Table 2, Annex I				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Metric no 12, Table 2, Annex I				Non-material
ESRS E3-4 Total water recycled and reused paragraph 28, point c)	Metric no 6.2, Table 2, Annex I				Non-material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Metric no 6.1, Table 2, Annex I				Non-material
ESRS 2- IRO 1 - E4 paragraph 16, point a) i)	Metric no 7, Table 1, Annex I				§2.7.2
ESRS 2- IRO 1 - E4 paragraph 16, point b)	Metric no 10, Table 2, Annex I				§2.7.2
ESRS 2- IRO 1 - E4 paragraph 16, point c)	Metric no 14, Table 2, Annex I				§2.7.2
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24, point b)	Metric no 11, Table 2, Annex I				Non-material
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24, point c)	Metric no 12, Table 2, Annex I				Non-material

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS E4-2 Policies to address deforestation paragraph 24, point d)	Metric no 15, Table 2, Annex I				Non-material
ESRS E5-5 Non-recycled waste paragraph 37, point d)	Metric no 13, Table 2, Annex I				§2.6.2
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Metric no 9, Table 1, Annex I				§2.6.2
ESRS 2- SBM3 - S1 Risk of incidents of forced labor paragraph 14, point f)	Metric no 13, Table 3, Annex I				§1.2.1
ESRS 2- SBM3 - S1 Risk of incidents of child labor paragraph 14, point g)	Metric no 12, Table 3, Annex I				§1.2.1
ESRS S1-1 Human rights policy commitments paragraph 20	Metric no 9, Table 3, and metric no 11, Table 1, Annex I				§1.2.1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 paragraph 21			Annex II of Commission Delegated Regulation (EU) 2020/1816		§1.4.7 ; §4.1
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Metric no 11, Table 3, Annex I				§4.1
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Metric no 1, Table 3, Annex I				§3.1
ESRS S1-3 Grievance/ complaints handling mechanisms paragraph 32, point c)	Metric no 5, Table 3, Annex I				§4.1
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88, points b) and c)	Metric no 2, Table 3, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		§3.1.6
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness paragraph 88, point e)	Metric no 3, Table 3, Annex I				§3.1.6
ESRS S1-16 Unadjusted gender pay gap paragraph 97, point a)	Metric no 12, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816		To be completed in N+1
ESRS S1-16 Excessive CEO pay ratio paragraph 97, point b)	Metric no 8, Table 3, Annex I				To be completed in N+1
ESRS S1-17 Incidents of discrimination paragraph 103, point a)	Metric no 7, Table 3, Annex I				§3.2.5 ; §4.1.6

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104, point a)	Metric no 10, Table 1, and metric no 14, Table 3, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		§4.1
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11, point b)	Metrics no 12 and no 13, Table 3, Annex I				§4.1
ESRS S2-1 Human rights policy commitments paragraph 17	Metric no 9, Table 3, and metric no 11, Table 1, Annex I				§1.2.1
ESRS S2-1 Policies related to value chain workers paragraph 18	Metrics no 11 and no 4, Table 3, Annex I				Non-material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Metric no 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			Annex II of Delegated Regulation (EU) 2020/1816		Non-material
ESRS S2-4 Human rights issues and incidents identified in the upstream or downstream value chain paragraph 36	Metric no 14, Table 3, Annex I				§4.1.6
ESRS S3-1 Human rights policy commitments paragraph 16	Metric no 9, Table 3, Annex I, and metric no 11, Table 1, Annex I				§1.2.1
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Metric no 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		§4.1.6
ESRS S3-4 Human rights issues and incidents paragraph 36	Metric no 14, Table 3, Annex I				§4.1.6
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Metric no 9, Table 3, and metric no 11, Table 1, Annex I				Non-material

Disclosure Requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark index regulation reference	European Climate law reference	Paragraph
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Metric no 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S4-4 Human rights issues and incidents paragraph 35	Metric no 14, Table 3, Annex I				Non-material
ESRS G1-1 United Nations Convention against Corruption paragraph 10, point b)	Metric no 15, Table 3, Annex I				§4.1
ESRS G1-1 Protection of whistleblowers paragraph 10, point d)	Metric no 6, Table 3, Annex I				§4.1
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24, point a)	Metric no 17, Table 3, Annex I		Annex II of Delegated Regulation (EU) 2020/1816		§4.1
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24, point b)	Metric no 16, Table 3, Annex I				§4.1

7 Sustainability auditor's report

REPORT ON THE CERTIFICATION OF INFORMATION ON SUSTAINABILITY AND THE CONTROL OF THE REQUIREMENTS FOR THE PUBLICATION OF INFORMATION PROVIDED FOR IN ARTICLE 8 OF REGULATION (EU) 2020/852 OF LSI RELATING TO THE FISCAL YEAR ENDED DECEMBER 31, 2024

This report is issued in our capacity as a third party independent of LISI. It covers the information on sustainability and the information provided for in Article 8 of Regulation (EU) 2020/852, relating to the fiscal year ended December 31, 2024, included in the Group's management report and presented in sections 1 to 4 of chapter 4 appearing in the universal registration document.

Pursuant to Article L.233-28-4 of the French Commercial Code, LISI is required to include the aforementioned information in a separate section of its report on the Group's management. This information makes it possible to understand the impacts of LISI's activity on sustainability issues, as well as the way in which these issues affect the evolution of its business, its results and its position. Sustainability issues include environmental, social and corporate governance issues.

Pursuant to II of Article L.822-24 of the aforementioned code, our mission is to carry out the work necessary to issue an opinion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29b of Directive (EU) 2013/34 of the European Parliament and of the Council of December 14, 2022 (hereinafter ESRS for European Sustainability Reporting Standards) the process implemented by [entity...] to determine the information published, and compliance with the obligation to consult the Social and Economic Committee provided for in the [sixth paragraph or the last paragraph 90] of Article L.2312-17 of the French Labor Code;
- compliance of the sustainability information included in the Group's management report and presented in sections 1 to 4 of chapter 4 of the universal registration document with the requirements of Article [L.232-6-3 or L.233-28-4] of the French Commercial Code, including with the ESRS; and
- compliance with the disclosure requirements of Article 8 of Regulation (EU) 2020/852.

This mission is carried out in accordance with the ethical rules, including independence, and the quality rules prescribed by the French Commercial Code.

It is also governed by the guidelines of the High Audit Authority "Certification of information on sustainability and control of the disclosure requirements of information provided for in Article 8 of Regulation (EU) 2020/852".

In the following three separate parts of the report, we present, for each of the areas of our mission, the nature of the verifications that we carried out and the conclusions that we drew from them.

In support of these conclusions, we present, in the notes to this report, the items to which we paid particular attention and the procedures we carried out in respect of these items. We draw your attention to the fact that we do not express a conclusion on these elements taken separately and that the procedures explained must be considered as part of the overall context of the formation of the conclusions issued on each of the three areas of our mission.

Finally, when it seems necessary to draw your attention to one or more information on sustainability provided by LISI in its report on the Group's management, we make an observation paragraph.

Limits of our mission

As our mission aims to provide limited assurance, the nature (choice of control techniques) of the work, its scope (amplitude) and its duration are less than those necessary to obtain reasonable assurance.

In addition, this mission does not consist in guaranteeing the viability or quality of LISI's management, in particular in making an assessment that would go beyond compliance with the information requirements of the ESRS on the relevance of the choices made by LISI in terms of action plans, targets, policies, scenario analyzes and transition plans.

However, it does make it possible to express conclusions regarding the process of determining the sustainability information published, the information itself, and the information published pursuant to Article 8 of Regulation (EU) 2020/852, with regard to the absence of identification or, on the contrary, identification of errors, omissions or inconsistencies of such importance as to be likely to influence the decisions that could be taken by readers of the information subject to our verifications.

Compliance with the ESRS of the process implemented by LISI to determine the information published, and compliance with the obligation to consult the Social and Economic Committee provided for in the sixth paragraph of article L.2312-17 of the French Labor Code

Nature of verifications carried out

Our work consisted in verifying that:

- the process defined and implemented by LISI enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities (IRO) related to sustainability issues, and to identify those of these material impacts, risks and opportunities that led to the publication of sustainability information in the Group's management report and presented in sections 1 to 4 of chapter 4 of the universal registration document; and
- the information provided on this process is also in accordance with the ESRS.

In addition, we monitored compliance with the obligation to consult the Social and Economic Committee.

Conclusion of the verifications carried out

Based on the verifications that we carried out, we did not identify any material errors, omissions or inconsistencies concerning the compliance of the process implemented by LISI with the ESRS.

Concerning the consultation of the Social and Economic Committee provided for in the sixth paragraph of article L.2312-17 of the French Labor Code, we noted that LISI has not set up a Social and Economic Committee at the level of the consolidating parent company, as the latter is not subject to it. This entity is therefore not subject to any obligation to consult.

Compliance of the sustainability information included in the Group's management report and presented in sections 1 to 4 of chapter 4 of the universal registration document with the requirements of article L.232-6-3 or L.233-28-4 of the French Commercial Code, including with the ESRS.

Nature of verifications carried out

Our work consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the information provided makes it possible to understand the arrangements for preparing and governing the sustainability information included in the

Group's management report and presented in sections 1 to 4 of chapter 4 of the universal registration document, including the methods used to determine the information on the value chain and the disclosure exemptions used;

- the presentation of this information ensures readability and comprehensibility;
- the scope used by LISI in relation to this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of its users, that this information is free of material errors, omissions, inconsistencies, *i.e.* likely to influence the judgment or decisions of users of this information.

Conclusion of the verifications carried out

Based on our verifications, we did not identify any material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Group's management report and presented in parts 1 to 4 of chapter 4 in the universal registration document with the requirements of article L.232-6-3 or L.233-28-4 of the French Commercial Code, including with the ESRS.

Observation

Without calling into question the conclusion expressed above, we draw your attention to the information included in the Group's management report and presented in section 1.1 of chapter 4 of the universal registration document:

Section 1.1 of the sustainability report sets out the methodological guidelines used to prepare the report, including a paragraph on "limitations" and a paragraph on "potential for improvement". They alert the reader to the difficulty of interpreting all the regulatory requirements as part of a first exercise, without relying on recognized best practices and/or comparative data, with data collection difficulties particularly in the value chain, and in a context where the regulatory texts themselves are subject to potentially significant challenges at the European Union level. The areas for improvement mentioned include the following points:

- take better account of opportunities and positive impacts
- detail the current and expected effects of impacts, risks and opportunities and the current financial effects of risks and opportunities
- strengthen information systems through an EPM platform to automate and standardize data collection, consolidation and control
- strengthen the focus of the risk management system and internal control on sustainability information.

Compliance with the disclosure requirements of article 8 of Regulation (EU) 2020/852

Nature of verifications carried out

Our work consisted in verifying the process implemented by LISI to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also consisted in verifying the information published pursuant to article 8 of Regulation (EU) 2020/852, which involves verifying:

- compliance with the rules governing the presentation of this information, which guarantee its readability and comprehensibility;

- on the basis of a selection, the absence of material errors, omissions, inconsistencies in the information provided, *i.e.* likely to influence the judgment or decisions of the users of this information.

Conclusion of the verifications carried out

Based on our verifications, we did not identify any material errors, omissions or inconsistencies regarding compliance with the requirements of article 8 of Regulation (EU) 2020/852.

The sustainability auditors

Paris, March 12, 2025
RSE France

Gérard SCHOUN

Patrice LABROUSSE



5

Risk factors

Risk factors

Contents

1	Financial risk matrix: principal major risks identified and reduction measures	297
2	Insurance policy	302
3	The Internal Control and Compliance environment	302
3.1	General description of the environment	302
3.2	Supervisory bodies	303
3.3	Group guidelines	303
3.4	Main internal control procedures regarding the preparation and processing of the accounting and financial information	304

Introduction

The LISI Group is engaged in a convergent risk management process. It manages its risk mapping in line with COSO guidelines, as well as complying with the provisions of Articles L.225-37 and L.225-68 of the French Commercial Code on financial security and the recommendations of the French Financial Markets Authority (AMF). Having identified and listed risks at the level of each individual unit (production or distribution sites), the Group consolidated all of the risks to which it is exposed in a matrix showing occurrence probability and severity rate (bottom-up approach). A “top down” approach is then used to prioritize risks. Each significant risk identified is the subject of an action plan reviewed periodically and, if necessary or in parallel, of a proactive

approach to prevention, insurance cover, accounting provisions or operational actions.

The rate of occurrence of major crises has accelerated over the last decade and the nature of these crises has diversified: the chain of health, logistics and geopolitical crises between 2019 and 2022 is an example. The LISI Group must therefore deal with poly-critical and multi-faceted crises, the magnitude of which is increasing. To mitigate the impact of these crises, the Group has developed its structural agility, its internal communication, and its management system, and has modified its understanding of the risks it faces.

1 Financial risk matrix: principal major risks identified and reduction measures

The major risk factors presented in this chapter are only the main risks identified and are likely to vary in intensity and probability, depending on global macroeconomic and geopolitical developments.

The management routines put in place within the Group make it possible to update the mapping on a continuous basis and to implement any measures that may be needed to mitigate the effects, or the severity of the risks identified.

The summary of the major risks is presented in two areas:

- major operational risk factors specific to the Group's business;
- major risk factors independent of the Group's business.

The assessment of the various risks, presented in the matrices below, takes into account the impact of the risk if it materializes, the probability of occurrence of this risk, and the risk control measures implemented. It therefore results in the residual criticality presented in the matrices.

Strategic risks are assessed annually by the Group's sites, Business Groups and operating divisions, as well as by Senior Management, and its various departments. They

have been reported since 2021 on an internal collaborative platform.

The risk assessment for 2024 still indicates the risk of asymmetric inflation, although its intensity is decreasing. The risks induced by the Covid pandemic in 2019 and 2020 remain, but to a more limited extent. Indeed, economic players have adapted to the specific economic environment induced by this pandemic, and developed a culture of risk management, while the Group has developed its agility.

The 2024 risk assessment exercise reflects the ongoing international paradigm shift, where unilateralism and nationalism replace multilateralism as guiding principles, with the supranational institutions the ensure the global order seeing their legitimacy called into question. As unilateral strategic competition has become the main mode of expression of commercial relations, the risks induced have increased (political instability, unpredictable changes in the market) or become significant (taxes, customs duties, and related logistical difficulties).

Market risk

The markets in which the various entities of the LISI Group operate may undergo various and sometimes opposite changes, but whose pace of occurrence and scale have increased since the COVID-19 pandemic. The aerospace market is facing a sharp increase in orders from the main players, putting pressure on the entire supply chain. This tension is amplified by the Russia-Ukraine conflict. The risk for the LISI AEROSPACE division is then not to be able to meet customer requests or to face significant additional costs. The automotive sector is subject to regulatory constraints related to carbon dioxide emissions, in order to

limit its climate impact, resulting in the emergence of new types of vehicles (electric, hybrid, hydrogen, etc.). The adoption by consumers of a new type of vehicle takes time and leads to a risk of fragmentation of demand from car manufacturers, or even of an overall decrease in this demand while waiting for the stabilization of the market. For the LISI AUTOMOTIVE division, this risk translates into a risk of volatility in the expressed demand and therefore in the load of the plants, and a risk of unsuitable product offerings. Lastly, the LISI MEDICAL division faces a risk of market volatility caused by the marketing of specific drugs

that replace the need for products manufactured by LISI MEDICAL. To face these risks, the LISI Group has decided to develop relations with its customers through long-term contracts, to intensify its operational flexibility by

making its structures agile and able to adapt as well as possible to demand, and to diversify its commercial offering by positioning itself in different markets and types of customers.

Competitiveness

The COVID-19 pandemic, the period of inflation and the geopolitical instability caused by the emergence of unilateralism have been or continue to be sources of significant risks for the Group's sustainable competitiveness. The risks of customer consolidation in restricted geographical areas due to customs or technological barriers require the Group to work harder on its agility in order to maintain its competitiveness.

The scarcity of available skills on the labor market observed since 2023, in a context of departures and of resumption of activity in the three markets served by the Group, remains significant and still requires a recruitment effort, with the consequence of a cost of training that remains material for the Group, and which is necessary to maintain compliance with its contractual commitments, notably in terms of quality. This training burden continues to impact both competitiveness (high training costs for newly hired employees, which reduce the competitiveness of the sites concerned), and productivity, as new hires are less productive than experienced employees. This risk of a deterioration in labor productivity also has an impact on the productivity of equity, as the means of production may see their performance degraded by the weaker skills of new employees.

Lastly, the risk of customs barriers emerged in 2024, with the entry into a global cycle of regional protectionism to the

detriment of the market liberalization cycle that began in the 1990s. This is reflected in the emergence of customs and tax barriers that can erode the competitiveness of some of the LISI Group's production centers.

The LISI Group has taken actions to limit the consequences of these risks through the following actions:

- internal productivity plans shared between sites in order to develop inter-site synergies;
- training and attractiveness plans, rolled out by site through partnerships with training entities and employment players forming the local fabric of the various sites' basins;
- plans to automate the means of production;
- acceleration of plans for increased flexibility in industrial facilities, savings, and cost optimization;
- strategic inventory-building plan;
- plans to locate production in the markets concerned;
- reinforcement of strategic value chain partnerships;
- plans to transfer impacts to customers.

The Group maintains its confidence in the effectiveness of its action plans, making it possible to control the effects of this risk, which is not, therefore, considered to be likely to compromise the Group's financial strength or the continuity of its activities.

Quality

Our customers' requirements for product quality have steadily increased in recent years. However, the rate of increase has recently accelerated, particularly in the aerospace sector due to the increasingly systematic use of digital control means. This increase in the Quality requirements of our customers increases the intensity of three risks weighing on LISI:

- a customer-induced risk of reinforcement of increased control processes, impacting profitability through additional control operation costs and cash generation, and with additional control operations, increasing the time to manufacture and sell products;
- a risk of longer development times for new products, which may result in revenue lagging over time or a deterioration in profitability compared to that estimated;

- a greater risk of necessary training, particularly for new hires.

The LISI Group has undertaken actions to minimize these risks, by increasing the intensity of the audits carried out on its critical suppliers, by setting up cross-audits between divisions and production centers, by implementing action plans to improve the control of production processes, by obtaining certifications by sector of activity, and by intensifying training efforts for newly hired employees.

The Group, therefore, considers that quality is a risk for which the importance and exposure are increasing, but that it is limited by the employee training measures and the deployment of the technical and industrial action plans put in place.

Strengthen cooperation with our insurers to improve the prevention of industrial risks

The consistency of the relationship with insurers and risk classification helped to structure the Group's prevention approach. Thus, all of the insurers' recommendations regarding damage to property are included in the Environmental Safety Improvement Plans and are subject to periodic monitoring by the Risk Monitoring Committee. The insurers conduct audits at a number of facilities each year, looking both at property damage and environmental

risks, before presenting their recommendations which enhance our action plan. Since 2002, all the significant sites were audited several times. On some of its sites, the Group has had to carry out construction work or install major prevention systems to limit the potential for incidents as much as possible. This initiative of ongoing progress improves the Group's prevention policy, contains major incidents and optimizes insurance premiums.

Summary of preventive action plans

The safety/environment/prevention action plans drawn up within the Group ensure a consistent approach to risk identification, risk prevention, asset preservation and control of operations. The program is coordinated by the

parent company of the LISI Group in the areas of industry, purchasing, HSE, internal control, finance, and cash flow management.

OPERATIONAL RISK FACTORS

Risk factors	Main risk management measures	Net impact	Change
Purchases, Production: ■ Failure of subcontractors (heat treatment, machining, sterilization, etc.) or suppliers (raw materials, components) disrupting our production cycles.	■ Supplier panel qualification process according to defined criteria. ■ Assessment of suppliers and their specific risks through audits for strategic suppliers. ■ Consideration of geopolitical, social, ethical, economic and financial risks. ■ Monthly monitoring of the operational and financial performance of suppliers.	●●○○	➡
■ Logistical tensions related to supply difficulties, volatile customer backlogs and the number of new parts to be developed.	■ Creation of strategic inventories. ■ Reinforcement of strategic partnerships and Development and Logistics teams.	●●○○	New
Systemic inflation impact: ■ Risk of not re invoicing the increases in expenses incurred. Risk of trade tensions related to the re invoicing of these increases, which could adversely affect operational performance (in the event of re invoicing refusal), relationships with customers or the ability to acquire new markets.	■ Fluctuation in raw material prices passed on to customers on a pass-through basis through framework agreements. ■ Partnerships with customers formalized in long-term contracts. ■ Specific negotiations to pass on to customers price increases resulting from inflation impacting various cost items excluding raw materials (energy, transport, labor, etc.). ■ Development of insourcing and/or new suppliers. ■ Co-development with suppliers. ■ Industrial savings, optimization and relocation plans.	●●○○	➡
■ Social tensions and increase in wage costs degrading performance.	■ Work on making the production tool more flexible. ■ Industrial savings, optimization and relocation plans ■ Development of robotization.	●●○○	➡
Innovation, Competitiveness, Competitive positioning ■ Competitive pressure (flagship products or new technologies).	■ Excellence in Price-Quality-Time	●●○○	➡
■ Lack of new customer programs and continued strong pressure on the prices of existing programs.	■ Existence of standards for managing the life of a program. ■ Systematic assessment of program risk from the initial phase. ■ Monthly review of programs and follow-up of action plans.	●●○○	➡
■ Entry of new competitors or consolidation of customers in certain geographical areas.	■ Proximity to customers and proximity to Research and Development centers. ■ Industrial innovation plans.	●●○○	➡
■ Lack of key skills.	■ Key skills training for identified employees. ■ Plans to automate the means of production.	●●○○	➡
■ Failed negotiations with major customers.	■ Close relationships with customers. ■ Analytical valuation of commercial positions.	●●○○	➡
■ Loss of productivity and/or obsolescence of means of production.	■ Investment plan integrated into strategic plan. ■ Digitization of Support functions. ■ Management and allocation of necessary resources.	●●○○	➡
■ New product failures.	■ Upstream integration of customer feedback received during regular meetings.	●○○○	➡
■ Intellectual property of new products offered.	■ Legal protection policy for innovations and manufacturing processes. ■ Carrying out prior art searches and technological monitoring. ■ Centralized management of technical and legal issues.	●●○○	➡
Quality: Major quality issues for products manufactured by LISI or delivered by its suppliers. Reinforcement of customer quality requirements.	■ Certifications by business segment ■ Existence of a Quality Department for each business sector. ■ Whistleblowing system and culture of evidence-based problem-solving. ■ Reinforcement of quality requirements and quality control processes. ■ Process audits of critical suppliers. ■ Continuation of the "0 escape" project, including a training plan. ■ Significant insurance coverage.	●●○○	➡
Industrial footprint: Evolution of the industrial footprint.	■ Transfer or specific plans aimed at making sites more attractive.	●●○○	➡
Safety and environmental impact: ■ Internal environmental risks: fire, pollution, noise pollution.	■ Risk prevention, investment and monitoring plans. ■ Analysis and management of environmental risk based on the ISO 14001 standard. ■ Audits carried out with insurers and extended insurance coverage. ■ Negotiations with stakeholders to reduce disturbances. ■ Business continuity plans and business recovery plans.	●○○○	➡
■ Risk of workplace accidents and/or occupational illnesses, risk of non-compliance of means of production.	■ Systematic analysis of accidents leading to action plans. ■ Systematic communication of accidents and lessons learned to all Group entities and regular audits of all sites. ■ Mandatory training in HSE rules (new hires and retraining).	●●○○	➡

EXTERNAL RISK FACTORS

Risk factors	Main risk management measures	Net impact	Change
Market risk: Change in the customer order book (recession, economic impacts of the climate transition) and/or risk of asymmetric non-competitiveness (business risk volatility, LISI offering lagging behind the market).	■ Development of customer relations, signature of long-term contracts. ■ Increased operational flexibility. ■ Diversity of sales by division, region, sector and customer type. ■ Permanent competitive watch. ■ Innovation and investment in research and development. ■ Agile management making it possible to adjust production resources as closely as possible to demand.	●●○○	
Pandemic: ■ Market stoppage following a health crisis.	■ Group prevention rules. ■ Global continuity plan (suppliers -> customers). ■ Implementation of measures to reduce costs and secure liquidity.	●○○○	
■ Lack of competencies in a context of departures and tension in the job market, indirect consequence of the COVID-19 pandemic.	■ Partnerships with specialized organizations or institutions and higher education. ■ Onboarding program for newcomers. ■ Internal mobility policy (including abroad). ■ Training and attractiveness plans. ■ Management of succession plans. ■ Development of apprenticeships. ■ Recruitment days at plants. ■ 2024-2026 attractiveness and loyalty plan with digital component.	●●○○	
Cybersecurity and reliability of information systems and product data.	■ Team of specialists dedicated to cybersecurity led by a RSSI. ■ Protection of connected industrial equipment. ■ Business continuity plans and business recovery plans. ■ Regular audits of sensitive applications. ■ Management of access rights and roles. ■ Continuous software updates procedure. ■ Regular simulation exercises for the Group. ■ Deployment of online IT security training and awareness-raising campaigns. ■ Significant insurance coverage.	●●●○	
Geopolitics: ■ Seismic and meteorological risks.	■ Analysis of vulnerabilities to the climate transition of the industrial site portfolio. ■ Assessment of external factors (fire, climate risks, cyber, etc.), through specific audits for the most exposed sites. ■ Deployment of crisis management plans and insurance covering seismic risk. ■ Business continuity plans and business recovery plans. ■ Implementation of water conservation measures. ■ Insurance coverage.	●●○○	
■ Political instability.	■ Work on double site certification. ■ Establishment of safety inventories. ■ Qualifications of double sources of supply. ■ Business continuity plans and business recovery plans.	●●●○	
■ Taxes and customs: entry into a global protectionist cycle, with higher customs and tax barriers.	■ Location of production and supplies. ■ Transfer in selling prices.	●●○○	New
■ Foreign exchange risk.	■ Hedging policy for financial instruments for strategic raw materials and currencies.	●●○○	

2 Insurance policy

The LISI Group has several insurance policies, which mainly cover the following risks:

- **Property damage insurance:** as of January 1, 2024, this policy covers owned or leased facilities, as well as operating losses in the event of a loss. The insured values amount to:

(in millions of euros)	2024			2023
	Europe (including France)	Other	Total	Total
Buildings and equipment	1,708	723	2,431	2,245
Goods	356	140	496	468
Operating losses	856	497	1,353	1,330

The data for 2023 have been supplemented by values outside Europe (except India) in order to make the information exhaustive.

The compensation per claim is capped at €120 million for the Group as a whole, the same amount as in 2023.

- **Third-party liability insurance**

This covers personal, physical, and intangible damage that might occur during operations to the sum of €60 million, as well as damages that occur after delivery, to the sum of €50 million per year in primary coverage across all divisions. Franchises are defined and vary according to activity and geographical area.

LISI AEROSPACE has taken out an insurance policy covering its liability for personal, physical, and intangible damage post-delivery of its aeronautical and space products. The sum insured for all subsidiaries, per loss and per insurance year is €500 million.

- **Corporate officers' liability insurance**

The Group has taken out an insurance policy for corporate officer liability for all Group subsidiaries of up to €15 million per year.

- **CYBER insurance**

This contract provides a guarantee in the event of a cyberattack for all Group subsidiaries in the amount of €15 million per year.

- **Transported goods insurance**

This contract covers all goods (or machines) transported to the tune of €5 million whether by sea, land, river, and air transport and by incident, all damages combined outside specific limits.

3 The Internal Control and Compliance environment

3.1 General description of the environment

The general Internal Control and Compliance environment is based on the Group's decentralized organization at the level of each division. A monthly Executive Committee is responsible for ratifying a global policy, which must then be channeled down to each individual department.

The Group has formalized a certain number of procedures in a Group internal control manual, as well as a regulatory watch and a "warning bulletins" and "news flash" system. These are made available to the employees concerned at the Group via a collaborative platform specific to the GRC (Governance, Risk, Compliance) environment and available on a dedicated intranet site.

This manual is supplemented by a manual of Group accounting procedures, and by a unified reporting and information system aligned with the same procedure for all Group sites.

The specificities of the LISI Group's business require the development of specific quality controls focused on operational and financial processes in the following areas:

- Governance and Crisis management,
- Purchasing and Procurement,
- Production and Logistics,
- Sales, Contracts and Quality,
- IT Systems,
- Human Resources, Payroll, Private Data Management,
- Capital expenditures,
- Finance (Accounting, Management Control, Treasury),
- Taxation and Customs,
- CSR.

Action is taken within the Group on a continual basis to ensure that these mechanisms are effective. This action is regularly assessed using performance tables.

Specific audits (compliance, process, or systems) are carried out each year on all the Group's operational and support structures, in France and abroad, according to a homogeneous and standardized assessment system, to enable the Group to:

- regularly assess the level of maturity of the structures in relation to expected requirements, on the basis of questionnaires, interviews or tests,

- measure the criticality of cases of non-compliance, or share best practices,
- present preventive or curative recommendations,
- support structures in the implementation and monitoring of action plans.

3.2 Supervisory bodies

The Group's Board of Directors is the most senior decision-making entity. The Group's Executive Committee channels the information to the divisions, which are themselves organized in such a way that enables their management to carry out the Group's decisions at individual department level.

The Audit Committee, which is made up of at least one independent director, examines the general environment for managing and monitoring risks at least twice a year, in the presence of the external auditors and the heads of Governance, Risk and Compliance.

The Group's internal audit department includes the Governance, Risk and Compliance Director, assisted by an auditor. Depending on the scale and nature of the

assignment to be performed, internal partners may complete the system. It ensures, notably, the assessment of risks and compliance with compliance rules.

Coordination with the external auditors is particularly close.

Controls focus on the identified areas of risk so as to obtain coverage within a satisfactory time frame.

Certain functions considered to be critical are monitored in the Group in a cross-departmental manner: financial management, cash management, financial consolidation, legal services, insurance, security policy, environmental policy, purchasing policy and human resource management.

3.3 Group guidelines

LISI manages an internal control procedures manual as well as an accounting and consolidation procedures manual. These procedures, made available to all LISI employees via a dedicated intranet on SharePoint, are regularly updated.

The Governance, Risk and Compliance department coordinates Internal Control committees on a quarterly basis, as well as regular Compliance committees.

Audit work is carried out jointly with the audit focal points of each division in order to relay information and create synergies in terms of operational and financial internal control. As a result, Group procedures are updated and adapted according to the changes in processes, with a view to reducing the risks detected during audits.

The Governance, Risk and Compliance department monitors regulations, assesses strategic risks in collaboration with the Risk Managers of each division, coordinates a risk and attempted fraud prevention system, and monitors the reporting system in conjunction with the members of the Compliance Committee.

Each division and each operational unit are responsible for ensuring that Group procedures are followed and adapted to their country's specific context.

Each manager receives notification of new levels of responsibility in the form of delegation letters.

3.4 Main internal control procedures regarding the preparation and processing of the accounting and financial information

- The Group carries out an annual review of the multi-year strategic plan (four-year period) and defines a priority action plan accordingly. The budget for the coming fiscal year falls within the scope of this plan for a 12-month period. The planning process is approved first by the Executive Committee and then by the Board of Directors. The progress of the budget is measured on a monthly basis at the level of the elementary management units, the Business Groups (BGs), the divisions and the Group.
- The monthly consolidation of management indicators of the income statement, the balance sheet and the cash flow statement allows precise measurement and facilitates decision-making.
- The Purchasing and Investment process falls within the scope of the strategic and budgetary mechanism. Any purchasing or investment commitment that deviates from the budget authorizations must have prior approval at the appropriate level.
- The Sales, Contracts and Quality process is carefully reviewed by the local teams, BGs, divisions, or Group-level teams, depending on the materiality level, before the actual commitment is made.
- The Finance (Cash Flow – Finance) process also involves specific commitments. So, for instance, financial investments are managed at Group level.
- Similarly, based on the four-year strategic plan and the budget for the year, the Treasury team assesses and arranges adapted financing needs.
- Lastly, foreign exchange rate and strategic raw material hedges are managed centrally. The positions are decided with the agreement of the Group's Senior Management in order to hedge the risks of variances. Positions are set when market conditions are appropriate and are not systematic.
- The Pay process is managed at operational unit level and is periodically reviewed, both by the Internal Audit team and by external auditors.
- The Health, Safety, and Environment (HSE) process involves a monthly review of management indicators (industrial accident rates, non-compliances, etc.) and of the resulting main action plans.
- All of the processes described in Section 3.1 are audited by the Internal Audit, Finance, Operational or HSE teams. Financial and operational audits are carried out on the basis of questionnaires common to all audited Group entities. The assessment of the audits takes the form of a score based on the total number of non-compliance cases detected: the contractual minimum requirement is 83% for the Internal Audit. The audit assignments result in an action plan that the operational teams are recommended to follow to mitigate the risks identified during internal audits. This action plan is monitored one year after the audit for entities audited that obtained a level of internal control below the Group's requirements.

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6

Corporate governance



Corporate governance

Contents

1	Activities of the Board of Directors and of the Committees in 2024	309
1.1	Activity of the Board of Directors in 2024	309
1.2	Committee activity in 2024	310
1.3	Board of Directors' assessment	311
2	The administrative bodies	312
2.1	Composition of the Board of Directors and the specialized committees	312
2.2	Information about the members of the Board of Directors	314
2.3	Compensation and interests of corporate officers	323
2.4	Implementation of the "apply or explain" rule of the AFEP-MEDEF Code of December 2022	329

Report on Corporate Governance

LISI is a *société anonyme* (limited company) with a Board of Directors, governed by French law, in particular the provisions of Book II of the French Commercial Code, and a number of provisions of the regulatory section of the French Commercial Code. The company has put in place measures to comply with local recommendations regarding corporate governance principles.

The LISI Group subscribes to the provisions of the AFEP-MEDEF corporate governance code, which was revised in December 2022, and whose recommendations it complies with, except for those set out in Section 2.4 of this Chapter, in accordance with the "Apply or explain" rule of the AFEP-MEDEF Code. Such membership has been confirmed by the Board of Directors.

1 Activities of the Board of Directors and of the Committees in 2024

1.1 Activity of the Board of Directors in 2024

The Board met 7 times during the 2024 fiscal year and the meeting attendance rate of its members was 97% during this fiscal year. The Board discussed the key topics and took the major decisions listed below.

- At its meeting of February 22, 2024, during which the non-executive directors were able to meet in the absence of the operational executive director (for the part devoted to the executive director's compensation), the Board approved the Group's separate and consolidated financial statements for the fiscal year ended December 31, 2023, as well as the appropriation of earnings to be submitted to the vote of the Annual Shareholders' Meeting of April 26, 2024, which it had convened. Then, as part of the deployment of the CSRD regulation, the Board approved the selection of the company RSE FRANCE as the Sustainability Auditor, whose appointment it will propose for a three-year term at the next Ordinary General Meeting of 2024.

In addition, the Board determined, on the one hand, the amount of the variable bonus for the objectives of the 2023 fiscal year of LISI's operational executive corporate officer, as well as his annual fixed salary for 2024 and, on the other, approved the rules for calculating the bonus for the 2024 fiscal year.

Then, the Board determined the final allocation of shares to the beneficiaries of the 21C23 performance share plan according to the initial rules established at the Board meeting of December 8, 2021.

Lastly, the Board took note of the information provided by Senior Management on the actions deployed under the various New Deal Premium plans, and on the ongoing files relating to changes in the Group's scope of consolidation.

- At its meeting of March 22, 2024, the Board proposed to the forthcoming Annual General Meeting to be held in 2024 to approve the 2023 financial statements the appointment of Mr. Pierre Éric POMMELLET as director for a four-year term, and consequently amended the agenda of the 2024 Annual General Meeting accordingly. Lastly, the Board validated the principle of carrying out a

new assessment of the Board in 2024, following the recent change in governance.

- At its meeting of April 25, 2024, the Board examined in detail the Group's business activity and results for the first quarter, as well as its annual earnings forecasts for the current fiscal year.

The Board then discussed major strategic issues previously identified by the Strategic Committee and prepared by Senior Management. It requested the organization of training for its members on CSR issues and conducted the quarterly review of the New Deal Premium plans.

- At the meeting of June 12, 2024, the Board met at the premises of the Melisey site belonging to the LISI AUTOMOTIVE division. First of all, it took note of a current update on the Group's activities showing an improvement in the main financial indicators, which nevertheless remained under pressure from inventory levels. It then reviewed the succession plans for the Group's Executive Committee and Leadership Board. It highlighted the stability of the management teams as one of the Group's main strengths. It also organized the work relating to the assessment of the Board, which will take place during the 2024 fiscal year.

Lastly, it took note of the information provided by Senior Management on the ongoing projects relating to changes in the Group's scope.

- At its meeting of July 25, 2024, the Board approved the Group's half-year separate financial statements and consolidated financial statements, as well as the new forecasts for annual results. In addition, it took note of the information provided by Senior Management during a "focus" on the complete analysis of the evolution of the Group's inventories, the reduction of which is a major priority for the three divisions.

Lastly, the Board reviewed the methodology and schedule related to the construction of the dual materiality matrix required by the CSRD regulation, the draft of which was presented to it at the meeting.

- At its meeting of October 24, 2024, the Board reviewed the business and results of the Group and its divisions over the first nine months of the year, as well as the forecasts for the end of the year.

In addition, as part of its CSR work, it approved the proposed break-even scenario in terms of decarbonization, encouraged Senior Management to increase the number of women in its management bodies, and welcomed the implementation of an "attractiveness and retention plan".

Then, it addressed the Company's main governance issues, such as:

- Reporting on the results of the assessment of the Board and its Committees,
- Updating the Employee Directors' Guide, the Board's Rules of Procedure and its Directors' Charter, and
- Ensuring the composition of the Board and its Committees is in line with the AFEP-MEDEF Code, including the expiry of the terms of office of the two directors representing employees for a period of four years.

The Board also took note of ongoing issues relating to changes in the Group's scope of consolidation. Lastly, this meeting was the subject of an exchange among the members of the Board without the presence of the executive corporate officer, in accordance with the recommendations of the AFEP-MEDEF Code.

1.2 Committee activity in 2024

The Board Committees met 15 times during the 2024 fiscal year and the meeting attendance rate of their members was 94%.

There are 4 LSI Board committees:

- the Audit Committee,
- the NRG (Nominations, Compensation, Governance) Committee,
- the CSR Committee,
- the Strategic Committee.

- **Audit Committee:** the Committee met 3 times over the 2024 fiscal year.

The information about the scope of consolidation, the off-balance sheet risks described in the notes to the consolidated financial statements, and impairment tests was sent to the Audit Committee, which submitted a report on its work to the Board of Directors.

It took note of the Internal Control activities and reviewed the handling of the risk mapping with the resulting action plans.

It heard from the Statutory Auditors on the performance of their assignment and noted the fees invoiced by them, deeming them compatible with the objectives of their assignment.

- The last meeting of the year, held on December 5, 2024, was devoted to the Group's annual strategic review and the presentation of the Company's budget for 2025.

The Board took note of the various orientations of the new strategic plan for 2025-2028 presented by the Group's Senior Management, and of the major challenges that it will define for the duration of the plan; as well as strategic issues, in a difficult industrial context due to the counter cyclical markets served and the challenge of financing the strong growth of the aeronautics activity.

It then took note of the budget outlook for the 2025 fiscal year, which was commented on and approved in its entirety.

The Board then approved the distribution of the compensation paid to the directors during 2024 and set the forward-looking budget for this same compensation for 2025.

It then set up a new performance share allocation plan, called 24C27, and approved its rules, including the performance criteria defined to meet these economic and strategic challenges.

Following the Board's assessment, the Board approved the changes affecting the organization of its work. Lastly, it approved the dual materiality matrix meeting the requirements of the CSRD regulation and reviewed the risk mapping.

It presented its work allowing the choice of the Sustainability Auditor as part of the deployment of the rules specific to the CSRD.

The Audit Committee also discussed management issues with the Finance Department during 2024.

The Committee also met to review the Universal Registration Document, and its Integrated Report.

- **NRG (Nominations, Compensation, Governance) Committee:** the Committee met 4 times over the 2024 fiscal year.

On the proposal of the Chairman of the Board, and following the change in governance made in 2023, the Committee carried out an assessment of its operation with an external service provider, in accordance with the recommendations of the AFEP-MEDEF Code.

It reviewed the work required to amend the Company's Rules of Procedure as a result of the Board's assessment.

It reviewed the composition of the Board and the specific Committees in order to ensure compliance with the recommendations of the AFEP-MEDEF Code.

It finalized the review of candidates to ultimately propose to the Board the appointment of Mr. Pierre Éric POMMELLET as an independent director.

Following the expiry of the terms of office of the two directors representing the employees, it duly noted the renewal of the term of office of the director representing the employees appointed by the Group Works Council, and the appointment by the European Works Council of a new director representing employees.

It reviewed the succession plan for the Executive Committee and the Leadership Board, bringing together all of the Group's operational managers, and also took note of the Group's Human Resources policy as regarded its diversity and non-discrimination aspects.

It presented its recommendations to the Board on the rules, methods and amounts of compensation, both fixed and variable, of the executive officers of LISI.

The Committee also submitted to the Board of Directors its proposals for the implementation and awarding of the 21C23 performance share plan. It examined, and then proposed, to the Board the allocation conditions of the new performance share allocation plan called 24C27, which includes both financial and non-financial criteria.

Lastly, the Committee examined and presented to the Board the proposed compensation package for directors, which it approved for 2025.

■ **Strategic Committee:** the committee met 4 times over the 2024 fiscal year.

It met twice during the fiscal year to review the strategic options adopted by Senior Management and which the Board had previously approved.

Then, as every year, the Committee met for an updated general presentation of the Group's 2025-2028 strategic plan by LISI's Senior Management and the heads of the aerospace, automotive and medical divisions. At the end of its meeting, the Committee made recommendations on a number of issues to be addressed in 2025, as well as on the additional work (to be discussed at an additional meeting) required to monitor major development and external growth projects.

■ **CSR Committee:** the Committee met twice in 2024.

It examined the CSR report for the 2023 fiscal year, which was presented to it by the LISI Group's Director of Sustainable Development, notably through the 3P axes: People, Planet, Profit. It also studied the various decarbonization scenarios that the Group could follow, with a view to SBTi certification. Lastly, it organized CSR training for the Board with the support of a specialized external service provider.

■ **Joint Audit & CSR Committee:**

As part of the deployment of the new CSRD Directive, and the construction of the dual materiality matrix, the Audit and CSR Committees met twice during the year. They were able to validate the methodology presented by Management, and to review the main major issues arising from the dual materiality matrix.

1.3 Board of Directors' assessment

For several years now, the LISI Board of Directors has been assessing itself and intends to continue and deepen this approach.

The assessment exercise carried out by the Board at the end of 2018 highlighted areas for improvement, in particular in the areas of Corporate Social Responsibility, the corruption prevention and detection system, and the Company's diversity policy as implemented within its governing bodies.

At the end of 2019, the Board conducted a self-assessment of each member's contributions and skills. This exercise highlighted new areas for improvement in the Company's governance, which were the subject of action plans initiated in 2020 and continued in 2021.

In 2022, the Board undertook a new self-assessment that highlighted the progress made compared to previous assessments as well as areas for improvement,

particularly in the areas of risk mapping, CSR and the Medical business line. During 2023, the Board began to roll out actions concerning the CSR component by creating a CSR Committee which carried out an assessment and will continue its discussions in 2024 in order to further clarify the CSR policy that the Group will endeavor to promote.

In 2024, and after a year of new governance, marked by the appointment of a new Chairman, the arrival of new directors, and the establishment of a CSR Committee, the Board decided to carry out a new self-assessment of its operations. It thus had the opportunity to identify areas for improvement aimed notably at strengthening its Audit Committee with an independent director, improving its risk management process, and optimizing the link between presentations and discussions on the Committee and Board meetings, and reviewing the Rules of Procedure aimed notably at strengthening its confidentiality charter.

2 The administrative bodies

2.1 Composition of the Board of Directors and the specialized committees

As of December 31, 2024, the Group's Board of Directors consisted of 15 members.

- Among its members, the Board has eight directors from family groups, five "independent" directors in the strict sense of the AFEP-MEDEF Code revised in December 2022 to which the Company refers, and two directors representing employees. The representation rate for these two groups is therefore as follows: 61.54% for Family Directors and 38.46% for Independent Directors.
- Similarly, the Board is composed of six women and seven men; the proportion of women on the Board is therefore 46%.

- In addition to the above 13 members, two employee directors were appointed by the Group Works Council and the European Works Council on September 19, 2024 for a four-year term ending on September 19, 2028.

Training sessions are planned throughout their term of office. The two directors in office until September 18, 2024 completed nearly 21 hours of training in 2024. Mr. Vincent COSNEFROY, new director appointed on September 19, 2024, completed a 36-hour training course before attending his first Board of Directors.

Composition as of December 31, 2024		Independent Director	Year of appointment	End date	Ordinary General Meeting called to approve the financial statements of the
BOARD OF DIRECTORS					
Board member	Jean-Philippe KOHLER		1993	OGM of 2027	12/31/2026
Chairman of the Board of Directors			2023	OGM of 2027	12/31/2026
Board member	Véronique SAUBOT		2018	OGM of 2026	12/31/2025
Vice-Chairman of the Board of Directors Senior Independent Director		X	2022	OGM of 2026	12/31/2025
Board members	Bernard BIRCHLER	X	2021	OGM of 2025	12/31/2024
	Isabelle CARRÈRE		2014	OGM of 2026	12/31/2025
	Françoise GARNIER	X	2021	OGM of 2025	12/31/2024
	SAS CIKO represented by Capucine KOHLER		2002	OGM of 2025	12/31/2024
	PEUGEOT Invest Assets represented by Guillaume FALGUIÈRE		2019	OGM of 2025	12/31/2024
	Compagnie Industrielle de Delle represented by Geoffroy KOHLER		1977	OGM of 2027	12/31/2026
	Marie-Hélène PEUGEOT- RONCORONI		2014	OGM of 2026	12/31/2025
	Pierre Éric POMMELLET	X	2024	OGM of 2028	12/31/2027
	VIELLARD MIGEON & Cie represented by Cyrille VIELLARD		1977	OGM of 2025	12/31/2024
	Emmanuel VIELLARD – Chief Executive Officer		2000	OGM of 2027	12/31/2026
	Florence VERZELEN	X	2022	OGM of 2026	12/31/2025
	Vincent COSNEFROY – director representing employees		2024	Sept. 19, 2028	
	Mohamed EZZENZ – director representing employees		2020	Sept. 19, 2028	
Secretary of the Board of Directors	Cécile LE CORRE				

Composition
as of December 31, 2024Independent
Director**AUDIT COMMITTEE**

Audit Committee member		
Chairwoman of the Audit Committee	Françoise GARNIER	X
	Bernard BIRCHLER	X
	Isabelle CARRÈRE	
	Florence VERZELEN	X
Audit Committee members	Jean-Philippe KOHLER - permanent guest	
	Emmanuel VIELLARD - permanent guest	

NRG COMMITTEE

Member of the NRG Committee		
Chairwoman of the NRG Committee	Véronique SAUBOT	X
	Françoise GARNIER	X
Members of the NRG Committee	Marie-Hélène PEUGEOT- RONCORONI	
	Jean-Philippe KOHLER - permanent guest	

STRATEGIC COMMITTEE

Member of the Strategic Committee		
Chairman of the Strategic Committee	Bernard BIRCHLER	X
	Capucine KOHLER	
	Geoffroy KOHLER	
	Pierre Éric POMMELLET	X
	Véronique SAUBOT	X
Members of Strategic Committee	Cyrille VIELLARD	
	Jean-Philippe KOHLER - permanent guest	
	Emmanuel VIELLARD - permanent guest	

CSR COMMITTEE

Member of the CSR Committee		
Chairman of the CSR Committee	Jean-Philippe KOHLER	
	Isabelle CARRÈRE	
	Mohamed EZZENZ	
	Guillaume FALGUIÈRE	
Members of the CSR Committee	Marie-Hélène PEUGEOT- RONCORONI	
	Cyrille VIELLARD	

2.2 Information about the members of the Board of Directors

The following information, approved as of December 31, 2024, was provided by the members of the Board of Directors.

They were reminded of the rules governing the holding of multiple offices, rules which they claim to abide by.

2.2.1 Board of Directors members

Jean-Philippe KOHLER

Chairman of the Board of Directors of LISI, Chairman of the CSR Committee

Nationality: French

Born on: August 27, 1960

Date of first appointment: 1993

Term expiry date: 2027 (General Meeting called to approve the financial statements for the 2026 fiscal year)

Number of shares held at December 31, 2024: 69,452

Career: A graduate of ESLSCA and an MBA holder, Jean-Philippe KOHLER first held technical-sales positions in the After-Sales Department of the CFM56 at SNECMA for 4 years, before joining the Group as Management Controller at FORMER (LISI AUTOMOTIVE). He then took on the role of Deputy Plant Manager of SAINT-CHAMOND GRANAT, a subsidiary of BAI (LISI AEROSPACE). After four years of international experience at Hi-Shear in the USA, he

returned to France to take over as General Manager of GFD. He became Executive Vice-President of GFI Industries (which became LISI) in 2002.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Chairman of the Board of Directors of Compagnie Industrielle de Delle
 - Vice-Chairman of CIKO SAS
 - Chairman of UIMM Belfort-Montbéliard
- Chairman of the Belfort production school

Bernard BIRCHLER

Independent Director of LISI, Chairman of the Strategic Committee

Nationality: French

Born on: September 5, 1960

Date of first appointment: 2021

Term expiry date: 2025 (General Meeting called to approve the financial statements for the 2024 fiscal year)

Number of shares held at December 31, 2024: 1,000

Career: Bernard Birchler is a Senior Partner of Bain & Company, based in the Paris office. He heads the Manufacturing Industries and Services division.

With more than 30 years of experience in strategy consulting for executives in the industrial sector, he is a recognized expert in the manufacturing industries. He has assisted many executives in defining their strategy and conducting transformation programs: product and innovation strategy, commercial efficiency, R&D, purchasing, production, and operating model.

He has extensive experience in the following sectors: commercial aviation, space, defense, automotive, rail, transport & logistics and consumer goods.

An engineer and graduate of ENSEM and IAE Paris, he began his career in consulting in 1985 before creating his own firm (2002-2008), then heading the operational skills division of Oliver Wyman (2008-2016), before joining Bain & Company in 2016.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Senior Partner at Bain et Compagnie SNC

Isabelle CARRÈRE*Director of LISI, Member of the Audit Committee and the CSR Committee***Nationality:** French**Born on:** December 10, 1963**Date of first appointment:** 2014**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2025 fiscal year)**Number of shares held at December 31, 2024:** 1,000

Career: After ten years of auditing and consulting at Arthur Andersen, Isabelle Carrère was appointed Chief Financial Officer of the Yves Rocher Group, then joined the LISI Group in 1999, becoming Deputy CEO of LISI AEROSPACE and LISI MEDICAL. She left LISI in 2009 to create Alba & Co, her management consulting structure, which assists industrial companies in their growth projects.

A specialist in the aeronautics world, Isabelle Carrère also regularly works in the defense, mobility and greentech

sectors. Isabelle Carrère also sits on the Boards of Directors of Parrot and the FIBI Aplix Group. She is a graduate of ESCP Europe and holds a degree in accounting.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Manager of ALBA & Co
 - Director of FIBI-APLIX Group
 - Director of PARROT
 - Vice-Chairwoman of the Supervisory Board of NSE
 - Treasurer of Maisons des Femmes-Restart
 - Manager of the non-trading company HARAS DE TURAN

Vincent COSNEFROY*Director representing employees at LISI***Nationality:** French**Born on:** December 1, 1978**Date of first appointment:** 2024**Term expiry date:** 2028**Number of shares held at December 31, 2024:** none

Career: Vincent Cosnefroy has a Professional Baccalaureate in Automated Mechanical Systems Maintenance.

He was hired at LISI MEDICAL Hérouville as a forge operator in 2000 and has been working as a maintenance technician since 2010.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - None

Mohamed EZZENZ*Director representing employees at LISI, member of the CSR Committee***Nationality:** French**Born on:** August 24, 1971**Date of first appointment:** 2020**Term expiry date:** 2028**Number of shares held at December 31, 2024:** none

Career: Mohamed EZZENZ joined Creuzet Aéronautique's Marmande site in 1996, as a numerical control operator. Then, from 2015, he moved on to become a measurement operator in the quality control department, before becoming a quality auditor in January 2024. He is interested in the various projects of the company, health issues and working conditions.

When CREUZET Aéronautique was acquired by LISI AEROSPACE, he took part in the merger and served as employee representative on the European Works Council.

In 2013, Mohamed EZZENZ carried out a skills assessment which guided him towards training in ergonomics to address occupational health issues with a ten-month immersion in the inter-company health service of the Lot et Garonne Department. He obtained a University Degree in Ergonomics (DU) from the University of Bordeaux. He also followed a project management training course at SUD MANAGEMENT in 2017.

Since 2018, he has been authorized by the DIRECCTE of the Nouvelle-Aquitaine region as an occupational risk prevention worker. In 2019, he completed an "ARCADRE" project management training course at CESI in Bordeaux.

Since April 2021, Mohamed EZZENZ has also been an ergonomics consultant.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None

- Outside the LISI Group (in France and abroad):

- Director of CPREFP Métallurgie (Regional Joint Commission for Employment and Vocational Training),
- Member of the Employment and Vocational Training Collective,
- Director of CPNE industrie et métiers de la métallurgie.
- Director of OPCO2I
- Member of the OPCO2I work-study commission

Guillaume FALGUIÈRE

Permanent representative of PEUGEOT Invest Assets on the Board of Directors of LISI S.A., Member of the CSR Committee

Nationality: French

Born on: June 9, 1985

Date of first appointment: 2023

Term expiry date: 2027 (General Meeting called to approve the financial statements for the 2026 fiscal year)

Number of shares held at December 31, 2024: none

Career: A graduate of ESCP Europe, Guillaume Falguière joined the Peugeot Invest investment team in 2017. After an experience in mergers and acquisitions, he began his career as a financial analyst at BDL Capital Management. For nine years, he covered various sectors (TMT and

industry) and was particularly involved in the development of the company.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Member of the Supervisory Committee of Acteon
 - Managing Director of Peugeot Invest.

Françoise GARNIER

Independent Director of LISI, Chairwoman of the Audit Committee, Member of the NRG Committee

Nationality: French

Born on: December 30, 1960

Date of first appointment: 2021

Term expiry date: 2025 (General Meeting called to approve the financial statements for the 2024 fiscal year)

Number of shares held at December 31, 2024: 600

Career: Françoise Garnier has spent her career in the field of auditing and consulting, in France and in the United States, in various Anglo-Saxon firms. For more than 30 years, she has focused on PwC's global priority clients, notably in the technology and communications sector, but also in transport and industry. As Global Head of these business segments for PwC, she has assisted many executives in leading major transformations and performance improvement programs.

She was also a member of the Global Supervisory Board of PwC, the governance body that oversees the overall strategy of the PwC network.

She is a graduate of EM Lyon and a Chartered Accountant.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Chairwoman of the Audit Committee and member of the CSR Committee of the LESAFFRE Group,
 - Chairwoman of the Audit Committee of the INETUM Group.

Capucine KOHLER*Permanent representative of CIKO on the Board of Directors of LISI, Member of the Strategic Committee***Nationality:** French**Born on:** February 7, 1980**Date of first appointment:** 2014**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2025 fiscal year)**Number of shares held at December 31, 2024:** 1,050

Career: Capucine KOHLER is a graduate of the University of Bath in the United Kingdom, with an MSC in Management with Marketing. She began her career at Bloomberg in London as Sales Manager, before moving on to become Internal Sales Manager and Key Accounts Manager at

Omron Automotive Electronics Europe (Japanese connector equipment manufacturer).

She currently works on international commercial strategy, specializing in the automotive sector and particularly in equipment manufacturers.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Sales Director at ZF (United Kingdom)

Geoffroy KOHLER*Permanent representative of CID on the Board of Directors of LISI, Member of the Strategic Committee***Director of Governance, Risks and Compliance of the LISI Group****Nationality:** French**Born on:** June 30, 1984**Date of first appointment:** 2023**Term expiry date:** 2027 (General Meeting called to approve the financial statements for the 2026 fiscal year)**Number of shares held at December 31, 2024:** 4,364

Career: A graduate of ESC Tours-Poitiers in 2008, he holds a master's degree in Management, specializing in International Management Control. Geoffrey KOHLER held various responsibilities prior to joining the LISI Group in 2016, as Head of Management Control of one of the Business Groups of the LISI AUTOMOTIVE division. He then took over the management of LISI AUTOMOTIVE's Delle 2 sorting and packaging plant in 2019, then the Risk

Management, Governance and Compliance Department of the LISI Group in 2022.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - Member of the Management Committee of LISI AUTOMOTIVE SAS
 - Member of the Management Committee of LISI AUTOMOTIVE FORMER SAS
 - Member of the Management Committee of LISI AUTOMOTIVE RAPID SAS
 - Member of the Management Committee of LISI AUTOMOTIVE NOME SAS
- Outside the LISI Group (in France and abroad):
 - Director of Compagnie Industrielle de Delle
 - Director of CIKO SAS

Marie-Hélène PEUGEOT-RONCORONI*Director of LISI, Member of the CSR and NRG Committees***Nationality:** French**Born on:** November 17, 1960**Date of first appointment:** 2014**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2025 fiscal year)**Number of shares held at December 31, 2024:** 600

Career: A graduate of the Institut d'Études Politiques de Paris, Marie-Hélène Peugeot-Roncoroni began her career in an English-speaking audit firm before holding positions in the Finance Department of PSA Group and in the Industrial and Human Relations Department. She then joined the Supervisory Board of Peugeot S.A. until the creation of Stellantis and served as Deputy CEO of Établissements Peugeot Frères.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Chairwoman and Director of Peugeot 1810
 - Director of Établissements PEUGEOT Frères (EPF)
 - Director of Fonds de dotation familial Peugeot
 - Director of SAPAR (*Société Anonyme de Participations*)
 - Chairwoman of Saint-CO SAS

Pierre Éric POMMELLET*Independent Director of LISI, Member of the Strategic Committee***Nationality:** French**Born on:** October 6, 1964**Date of first appointment:** 2024**Term expiry date:** 2028 (General Meeting called to approve the financial statements for the 2027 fiscal year)**Number of shares held at December 31, 2024:** none

Career: Pierre Éric POMMELLET holds a Master of Sciences degree from the Massachusetts Institute of Technologies (MIT).

In 1990, he was assigned to the Vernon ballistics and aerodynamics research laboratory as an armament engineer for the Direction Générale de l'Armement (DGA), in charge of navigation systems for Le Triomphant class nuclear-powered ballistic missile submarines (SNLE). He first joined the DGA in 1994, as head of the Navigation department, a position he held until 1995.

In November 1995, Pierre Éric POMMELLET was appointed technical advisor and then Chief of Staff (April 1996) to Jean-Pierre Raffarin, Minister of SMEs, Trade and Crafts.

From 1997 to 2001, he was Technical Director at THALES, then, in 2001, he managed the Bordeaux plant, then, in 2004, all the military equipment activities of the

aeronautics division, and, in 2008, the aeronautics division's service activities department, before undertaking the duties of director of the aeronautics division in 2009. From 2010 to 2017, he became Deputy CEO of the Global Business Unit of Defense Missions Systems.

Lastly, he held the position of Chief Operating Officer at Thales, from 2017 to 2020.

Since 2020, Pierre Éric POMMELLET has been Chairman and Chief Executive Officer of NAVAL GROUP.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Chairman and Chief Executive Officer of NAVAL GROUP
 - Director of LE TELEGRAMME MEDIA
 - Director of CHANTIERS DE L'ATLANTIQUE
 - Chairman of the Board of Directors of SAS MO Porte-Avions
 - Director of NAVIRIS S.P.A

Véronique SAUBOT*Senior Director of LISI, Vice-Chairwoman of the Board of Directors, Chairwoman of the NRG Committee and Member of the Strategic Committee***Nationality:** French**Born on:** December 27, 1964**Date of first appointment:** 2018**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2025 fiscal year)**Number of shares held at December 31, 2024:** 700

Career: Véronique SAUBOT began her career at Arthur Andersen in 1989, then joined the Valeo Group, where she held several operational positions for 13 years. In 2002, she was appointed to manage the Group's strategy. She created Coronelli International in 2007 to propose directly executable strategic recommendations for a broad portfolio of industrial clients. At the same time, she sits on various Boards of Directors and took over as Managing Director of Tykya in 2014.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Chairwoman of TYKYA
 - Chief Executive Officer of SIMPLON.CO
 - Director of Groupe LA POSTE, mail, parcels, and home services branch
 - Director of IMERYS
 - Director of ESSO SAF

Florence VERZELEN*Independent Director of LISI, Member of the Audit Committee***Nationality:** French**Born on:** February 28, 1978**Date of first appointment:** 2022**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2025 fiscal year)**Number of shares held at December 31, 2024:** 1,000

Career: Florence Verzelen is a graduate of the École Polytechnique and of the École Nationale Supérieure des Mines de Paris, and she is an engineer from the Corps des Mines.

She began her career as a financial analyst in investment banking in New York. She then worked in the public sector, notably at the European Commission, where she was responsible for trade relations between the European Union and China, and then for the antitrust lawsuit against Microsoft.

She then advised the Minister of European Affairs on trade and industry issues in 2007. From 2008 to 2017, she

worked at ENGIE. She was first in charge of the Group's commercial development, then became Chief Executive Officer of ENGIE in Qatar, and then Director of the Group's Purchasing Performance Plan. She was finally appointed Chief Operating Officer of ENGIE Europe and Russia.

Florence Verzelen has been a member of the Steering Committee of the Institut Montaigne since 2018. She is Deputy CEO in charge of industries, marketing and sustainable development at Dassault Systèmes.

She is also a member of the Board of Directors of the Air France Group.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None
- Outside the LISI Group (in France and abroad):
 - Director of Air France
 - Member of the Steering Committee of Institut Montaigne

Cyrille VIELLARD*Permanent representative of VMC on the Board of Directors of LISI S.A., member of the Strategic Committee and the CSR Committee***Nationality:** French**Born on:** May 30, 1977**Date of first appointment:** 2013**Term expiry date:** 2025 (General Meeting called to approve the financial statements for the 2024 fiscal year)**Number of shares held at December 31, 2024:** 1,000

Career: A graduate of ESSEC, Cyrille Viellard began his career with the Bosch group, where he held various operational positions in France, Germany and Spain from 1998 to 2013. A member of the Management Committee of the Rapala VMC Group since 2015, he is currently Group Deputy CEO in charge of the EMEA and Latin America region; he was appointed CEO of the Rapala-VMC Group in March 2025.

Other mandates and functions:

- Related to the LISI Group (in France and abroad):
 - None

- Outside the LISI Group (in France and abroad):

- Deputy CEO of the Rapala VMC Group and member of the Executive Committee of RAPALA-VMC Oyj
- Chairman of VMC Pêche SAS
- Chairman of VMC Inc.
- Chairman PT VMC Fishing Tackle Indonesia
- Director of Viellard Migeon & Cie SA
- Director of Compagnie Industrielle de Delle
- Director of SELECTARC Groupe SA (Permanent representative of VMC)
- Member of the Management Committee of SELECTARC SAS
- Manager of SCI DAGMA
- Member of the bureau of the Chamber of Commerce and Industry of Territoire de Belfort
- Member of the Board of Directors of EFTTA (European Fishing Tackle & Trade Association)

Emmanuel VIELLARD*Director of LISI***Chief Executive Officer of LISI****Nationality:** French**Born on:** June 13, 1963**Date of first appointment:** 1989**Term expiry date:** 2026 (General Meeting called to approve the financial statements for the 2027 fiscal year)**Number of shares held at December 31, 2024:** 45,834

Career: Emmanuel Viellard graduated from EDHEC Business School in 1986. He completed his military service in the Special Forces for two years as an officer and squad leader at Commando Trépel. He decided to join the audit firm Arthur Andersen in 1988, completing his academic career in financial advisory services. Promoted to Manager, he left Arthur Andersen and joined the family business LISI and VMC in 1995 holding various positions at LISI AEROSPACE. In 2000, Emmanuel Viellard became Vice Chairman of LISI, Chairman of LISI AEROSPACE and LISI MEDICAL alongside Gilles Kohler, Chairman and Chief Executive Officer. Since March 1, 2016, Emmanuel Viellard has been Chief Executive Officer of the LISI Group.

Other mandates and functions

- Related to the LISI Group (in France and abroad):

- Chairman of LISI AEROSPACE SAS
- Chairman of LISI AEROSPACE STRUCTURAL COMPONENTS SA
- Chairman of LISI AUTOMOTIVE SAS
- Chairman of LISI MEDICAL SA
- Director of ANKIT FASTENERS PRIVATE LIMITED
- Director of Fastener Technology Baglanti Elemanlari San. Tic. As (Turkey)
- Director of BLANC AERO Industries UK Limited
- Director of HI-SHEAR Corporation
- Director of HI-SHEAR HOLDINGS Inc
- Director of LISI AEROSPACE Canada Corp
- Director of THE MONADNOCK Company
- Director of B&E Manufacturing Company Inc
- Director of LISI AUTOMOTIVE Hebei Co. Ltd
- Director of TERMAX Company
- Director of LISI AUTOMOTIVE HI VOL
- Director of LISI MEDICAL Remmele Inc.
- Director of LISI Holding North America
- Member of the Management Committee of LISI AUTOMOTIVE Former SAS

- Member of the Management Committee of LISI AUTOMOTIVE Rapid SAS
- Member of the Management Committee of LISI AUTOMOTIVE Nomel SAS
- Member of the Management Committee of CREUZET AERONAUTIQUE SAS
- Member of the Management Committee of LISI AEROSPACE FORGED INTEGRATED SOLUTIONS SAS
- Member of the Management Committee of BLANC AERO Industries SAS
- Member of the Management Committee of BLANC AERO Technologies SA
- Member of the Management Committee of LISI AEROSPACE ADDITIVE MANUFACTURING SAS
- Member of the Management Committee of LISI MEDICAL Orthopaedics SAS
- Member of the Management Committee of LISI MEDICAL Fasteners SAS
- Outside the LISI Group (in France and abroad):
 - Chairman of Financière VIELLARD SAS
 - Chairman of MEDEF Franche-Comté
 - Chairman and CEO of VIELLARD MIGEON & Cie SA
 - CEO of Compagnie Industrielle de Delle
 - Director of RAPALA-VMC OYJ (Finland)
 - Director of Selectarc Group SA
 - Permanent representative of VMC on the Management Committee of SELECTARC SAS
 - Officer of GIFAS
 - Honorary Chairman of GEADS
 - Chairman of SIAE and Commissioner General of Trade Fairs

2.2.2 Competencies of Board of Directors members

The directors of the LISI Group bring a diversified and complementary set of skills, which are essential to backing the Group's growth and innovation strategy. Their in-depth experience in the aeronautics, automotive and medical sectors provides a detailed understanding of industrial issues and market dynamics. Their expertise in corporate governance, risk management and finance ensures rigorous oversight and informed decision-making. The diversity of their career paths contributes to a balanced outlook, thus promoting an independent Board of Directors that has integrity and is committed to creating sustainable value for shareholders.

The table below summarizes the skills of the members of the Board of Directors as of February 26, 2025, which have been identified according to the respective backgrounds and experiences of the directors (on the basis of usual market practices, internal analyzes, and the last external assessment of the Board presented to the Nominations, Compensation and Governance Committee of October 16, 2024 and to the Board of Directors of October 24, 2024, as specified in paragraph 1 of this Universal Registration Document).

The skills were assessed as follows:

	Sectoral			General				Governance and leadership		
	Aeronautics	Automotive	Medical	Strategic	Financial	Risk Management	CSR/HR	Non-executive governance	International career and experience	Senior Management/Executive Committee
Board members										
Jean-Philippe KOHLER ^{(1) (4)}	•	•	•	•	•	•	•	•	•	•
Véronique SAUBOT ^{(2) (5)}	•	•		•	•	•	•	•		•
Bernard BIRCHLER ⁽²⁾	•	•	•	•	•	•		•	•	•
Isabelle CARRÈRE ⁽¹⁾	•	•	•	•	•	•	•	•	•	•
Vincent COSNEFROY ⁽³⁾			•			•	•			
Mohamed EZZENZ ⁽³⁾	•			•		•	•	•		
Guillaume FALGUIÈRE ⁽¹⁾		•		•	•	•		•	•	
Françoise GARNIER ⁽²⁾	•	•	•	•	•	•	•	•	•	•
Capucine KOHLER ⁽¹⁾		•		•	•	•			•	
Geoffroy KOHLER ⁽¹⁾		•		•	•	•	•		•	•
Marie-Hélène PEUGEOT- RONCORONI ⁽¹⁾	•	•	•	•	•	•	•	•		•
Pierre-Éric POMMELLET ⁽²⁾	•	•		•	•	•	•	•	•	•
Cyrille VIELLARD ⁽¹⁾		•		•	•	•	•		•	•
Emmanuel VIELLARD ^{(1) (6)}	•	•	•	•	•	•	•	•	•	•
Florence VERZELEN ⁽²⁾	•	•	•	•	•	•	•	•	•	•

⁽¹⁾ Family directors (and equivalent)

⁽²⁾ Independent directors

⁽³⁾ Directors representing employees

⁽⁴⁾ Chairman of the Board of Directors

⁽⁵⁾ Vice-Chairwoman and Senior Director

⁽⁶⁾ CEO

2.2.3 Family ties

The only direct family ties between the aforementioned individuals are the following:

- Jean-Philippe KOHLER is the uncle of Capucine and Geoffroy KOHLER.

2.2.4 Absence of conflicts of interest

To the Company's knowledge, there are no current or potential conflicts of interests between LISI S.A. and the members of the Board of Directors, both in terms of their personal interests and of their other obligations. The Board's Rules of Procedure expressly provide for a situation of conflict of interest, when applicable: "The members of the Board of Directors have a duty to inform

the Board of any situation of conflict of interest, even potential, current or future, in which they are or are likely to be involved. When the Board of Directors deliberates on a matter directly or indirectly affecting one of its members, the member concerned is invited to leave the Board meeting for the time of the discussions and, where applicable, the vote."

2.2.5 Absence of condemnation for fraud, involvement in a bankruptcy or criminal offense and/or public sanction

To the Company's knowledge, in the past five years:

- no condemnation for fraud was pronounced against any of the members of the Board of Directors and Senior Management,
- none of the members of the Board of Directors and Senior Management has been involved in any bankruptcy, escrow, or winding up, as a member of an administrative, management or supervisory body,
- no official incrimination and/or public sanction has been pronounced by statutory or regulatory authorities against any of the members of the Board of Directors and Senior Management of the Company,
- no member of the Board of Directors or Senior Management has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the managing or conducting the business of an issuer.

2.3 Compensation and interests of corporate officers

2.3.1 Remuneration paid to members of the Board of Directors

The Shareholders' General Meeting held on April 26, 2019, set the maximum annual amount of compensation allocated to the members of the Board of Directors at €500,000 as from the fiscal year beginning on January 1, 2019, until otherwise decided in consideration for the work carried out by the directors at the meetings of the Board of Directors and of the Committees on which they sit.

This compensation is paid to beneficiaries at the end of each half-year based on their attendance at Board and Committee meetings. They include a fixed portion per session and a variable portion depending on the type of presence of the director in question (in person or *via audio/video*).

The amount paid to the directors in 2024 was €478,400.

The General Meeting of April 25, 2025 will be asked to approve Directors' fees of €600,000.

The table below summarizes the compensation awarded and paid to members of the Board of Directors for 2023 and 2024:

Board members	Remuneration awarded and paid in 2024 (in euros)	% Variable portion	Remuneration awarded and paid in 2023 (in euros)	% Variable portion
BIRCHLER Bernard	43,000	62.79%	37,625	62.79%
CARRÈRE Isabelle	48,000	75.00%	41,250	70.91%
DAHER Patrick	None	None	17,000	52.94%
GARNIER Françoise	58,600	72.70%	54,250	70.51%
KOHLER Capucine	38,400	68.75%	37,875	68.32%
KOHLER Geoffroy	37,200	67.74%	22,875	73.77%
KOHLER Gilles	None	None	31,875	52.94%
PEUGEOT INVEST ASSETS	40,200	70.15%	22,875	73.77%
POMMELET Pierre Éric	23,200	69.83%	None	None
PEUGEOT Christian	None	None	11,625	48.39%
PEUGEOT Thierry	None	None	12,750	52.94%
PEUGEOT-RONCORONI Marie-Hélène	50,400	76.19%	45,500	69.23%
SAUBOT Véronique	59,600	66.44%	60,500	66.94%
VIELLARD Cyrille	44,400	72.97%	37,875	68.32%
VERZELEN Florence	35,400	66.10%	33,375	64.04%
Total	478,400	65.97%	467,250	65.97%

The directors mentioned above did not receive any compensation other than the directors' fees mentioned above from LISI S.A. and its subsidiaries.

Emmanuel VIELLARD and Jean-Philippe KOHLER did not receive directors' fees during the fiscal year.

The directors' fees relating to Guillaume FALGUIERE's participation in the Board of Directors and the CSR Committee were paid to PEUGEOT INVEST ASSETS.

The employee directors waived the payment of directors' fees.

2.3.2 Shares held by members of the Board of Directors

The table below shows the number of shares held by the members of the Board of Directors as at December 31, 2024:

Corporate officers	Number of LISI shares held directly	Number of LISI shares held indirectly
BIRCHLER Bernard	1,000	
CARRÈRE Isabelle	1,000	
FALGUIÈRE Guillaume (permanent representative of PEUGEOT Invest Assets)	–	4,795,859
GARNIER Françoise	600	
KOHLER Geoffroy (permanent representative of CID)	4,364	20,562,550
KOHLER Capucine (permanent representative of CIKO)	1,050	
KOHLER Jean-Philippe	69,452	
PEUGEOT-RONCORONI Marie-Hélène	600	
POMMELLET Pierre Éric	–	
SAUBOT Véronique	700	
VIELLARD Emmanuel	45,834	
VIELLARD Cyrille (permanent representative of VMC)	1,000	3,112,818
VERZELEN Florence	1,000	
Total	126,600	28,471,227

As the appointment of Pierre Éric POMMELLET took place during the 2024 fiscal year, he will have to ensure, over the course of the 2025 fiscal year, that he comes into compliance by acquiring a significant minimum number of shares with regard to the compensation allocated to him (AFEP-MEDEF Code of December 2022).

2.3.3 Executive powers and compensation

2.3.3.1 - Powers of the CEO and, if applicable, the Deputy CEOs – specific limits set by the Board of Directors on the powers of the CEO and, if applicable, those of the Deputy CEOs

The powers that are, under the laws and regulations in force and the provisions of the bylaws of the Company and of the Rules of Procedure of the Company:

- neither reserved to the Board,
 - nor reserved to the General Meetings of the Company,
- are vested in the CEO of the Company and, if applicable, the Deputy CEOs.

When deciding to appoint the CEO or, if applicable, a Deputy CEO, specific limits may eventually be set by the Board of Directors on the powers of the CEO of the Company or, if applicable, the Deputy CEO.

The Board of Directors' Rules of Procedure are updated on the date of the Board's decision, to incorporate these specific limits.

The Board of Directors may further limit the scope of the powers of the CEO or of a Deputy CEO for a particular transaction.

If necessary, these limits shall be set in the minutes of the Board meeting authorizing the transaction.

2.3.3.2 - Succession plan for executive corporate officers

The NRG (Nominations, Compensation, Governance) Committee periodically reviews the succession plan for executive corporate officers in order to guarantee business continuity in all potential short, medium or long-term scenarios.

In addition, the NRG Committee works closely with the Board of Directors on this subject, and ensures the confidentiality of this information.

2.3.3.3 - Executive compensation for the 2024 fiscal year

	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of the termination or change of functions		Compensation under a non-compete clause	
	YES	NO	YES	NO	YES	NO	YES	NO
NON-EXECUTIVE CORPORATE OFFICER								
Jean-Philippe KOHLER Position: Chairman of the Board of Directors Term of office start: 2023 Date of end of term: 2026 (OGM of 2027)		X		X		X		X
EXECUTIVE CORPORATE OFFICER								
Emmanuel VIELLARD Function: CEO Term of office start: 2016 Date of end of term: 2026 (OGM of 2027)		X		X		X		X

The terms for the compensation of the Chairman of the Board of Directors and of the CEO are approved by the Board of Directors on the proposal of the NRG (Nominations, Compensation, Governance) Committee.

Compensation of the Chairman of the Board of Directors in 2023 and 2024

Compensation of Mr. Jean-Philippe KOHLER

Jean-Philippe KOHLER was appointed Chairman of the Board of Directors on April 12, 2023. His compensation is paid in the form of a corporate office and breaks down as follows:

Summary of compensation and options and shares granted:

Jean-Philippe KOHLER Chairman of the Board of Directors	2024	2023
Compensation due for the period	170,004	419,277
Valuation of the options granted during the fiscal year	None	None
Valuation of the shares granted during the fiscal year	None	None
Valuation of the performance shares granted during the fiscal year	None	None

Summary table of compensation:

Jean-Philippe KOHLER Chairman of the Board of Directors	Amounts for the 2024 fiscal year		Amounts for the 2023 fiscal year	
	Attributed	paid	Attributed	paid
Fixed compensation	170,004	170,004	217,376	231,309
Variable compensation	None	None	46,000	166,000
Incentives	None	None	3,218	12,186
End of executive term compensation	None	None	150,000	150,000
Directors' fees	None	None	None	None
Benefits in kind: company car	None	None	2,683	2,951
Total	170,004	173,222	419,277	562,445

The details of compensation shown in the tables above for the 2023 fiscal year were awarded and paid in respect of the executive office until April 12, 2023 for the 2023 fiscal year. As of this date, the amount awarded and paid compensates the office of Chairman of the Board of Directors. For the 2025 fiscal year, the Board of Directors, on the proposal of the NRG (Nominations, Compensation, Governance) Committee, decided to maintain the nature and method of calculating the compensation of the Chairman of the Board of Directors, according to the same

principles as in 2024, up to the end of his term of office as Director and Chairman of the Board of Directors. The amount of fixed compensation was set at €181,896, a 7% increase compared to 2024.

Compensation of the Chief Executive Officer in 2024

Compensation of Mr. Emmanuel VIELLARD

In 2024, the variable portion of the Chief Executive Officer's compensation was capped at 65% of fixed compensation and broke down as follows:

- 50% attributed on the basis of financial criteria:
 - 30 points maximum in respect of the operating margin (current operating profit as a percentage of revenue),
 - 20 points maximum in respect of free cash flow,

- 30% maximum allocated to the implementation of Group action plans and Strategic initiatives, including action plans related to ESG projects,
- 20% maximum left to the discretion of the Board of Directors.

The expected level of achievement of the above objectives has been established precisely but is not released for confidentiality reasons.

The tables summarizing the compensation and options and shares allocated to the CEO of LISI S.A. are as follows in euros:

Summary of compensation and options and shares granted:

Emmanuel VIELLARD CEO of LISI S.A.	2024	2023
Compensation due for the period	691,488	642,062
Valuation of the options granted during the fiscal year *	None	None
Valuation of the performance shares granted during the fiscal year *	159,100	304,474

* Valuation at the share price prevailing on the date of the Board of Directors meeting which approved the plan and based on 100% achievement of performance conditions: €19.46 for plan 22C25 for the 2023 fiscal year and €23.00 for plan 23C26 for the 2023 fiscal year, €21.50 for plan 24C27 for the 2024 fiscal year.

Summary table of compensation:

Emmanuel VIELLARD CEO of LISI S.A.	Amounts for the 2024 fiscal year		Amounts for the 2023 fiscal year	
	Attributed	paid	Attributed	paid
Fixed compensation	450,000	450,000	446,000	442,000
Variable compensation	222,300	181,000	181,000	145,000
Incentives	16,966	12,874	12,874	12,186
Exceptional compensation	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind: company car	2,222	2,188	2,188	2,188
Total	691,488	646,062	642,062	601,373

The compensation presented above corresponds to all that was paid by LISI. No compensation was paid by the LISI subsidiaries and the controlling company CID.

LISI S.A. has not committed for the 2024 fiscal year to pay any compensation, indemnities or benefits due or likely to be owed as a result of the assumption, termination or change of functions.

Fixed compensation of the Chief Executive Officer in 2025

For the 2025 fiscal year, the Board of Directors, on the proposal of the NRG (Nominations, Compensation, Governance) Committee set the amount of fixed

compensation at €481,500, representing a 7% increase compared to 2024.

Variable compensation of the Chief Executive Officer in 2025

In 2025, the variable portion of the Chief Executive Officer's compensation is capped at 75% of fixed compensation and breaks down as follows:

- 50% attributed on the basis of financial criteria:
 - 30 points maximum in respect of the operating margin (current operating profit as a percentage of revenue),
 - 20 points maximum in respect of free cash flow,
- 30% maximum allocated to the implementation of Group Strategic Initiatives action plans,

- 20% maximum left to the discretion of the Board of Directors. The NRG (Nominations, Compensation, Governance) Committee will notably take into consideration in this assessment the achievement of the CSR objectives - PEOPLE & PLANET axes.

The expected level of achievement of the above objectives has been established precisely but is not released for confidentiality reasons.

Stock subscription or purchase options allocated during the period to each executive corporate officer

No stock subscription or purchase options were allocated during the 2024 fiscal year.

Stock subscription or purchase options exercised during the period by each executive corporate officer

In 2024, the corporate officers did not exercise any options.

Performance shares allocated to each executive corporate officer

The allocated plans outstanding at December 31, 2024, are listed in the following table:

	Plan number and date	Maximum number of shares awarded during the fiscal year	Valuation of shares according to the method used for the consolidated financial statements (in euros)	Acquisition date	Date of availability	Minimum performance conditions to trigger an allocation
Jean-Philippe KOHLER Function: Chairman of the board of Directors	22C24 Date : 09/12/2022	6,900	134,274	Feb 2025	Feb 2025	None
	TOTAL	6,900	134,274			
Emmanuel VIELLARD Function: CEO	DEFI 20C25 Date : 09/12/2020	12,000	63,000	Feb 2026	Feb 2026	Target price defined as the average of the last 60 listed prices of 2025 or the annual average of the listed prices of that same year, taking into account the highest valuation of the two. A progressive chart is set based on an allocation trigger threshold that is also determined
	22C24 Date : 09/12/2022	6,900	93,992	Feb 2025	Feb 2025	Financial criteria: EBIT > 5% of revenue, Net profit (loss) > 2.5% of revenue*, FCF > 1% of revenue, LISI share price > €24 CSR criteria: TF1 < 7.8, minimum 28% women among managers, energy saving on projects
	22C25 Date : 09/12/2022	6,900	59,081	Feb 2026	Feb 2026	Financial criteria: EBIT > 6% of revenue, Net profit (loss) > 3.5% of revenue*, FCF > 2% of revenue, LISI share price > €28 CSR criteria: TF1 < 7.5, minimum 30% women among managers, energy saving on projects
	23C26 Date : 07/12/2023	7,400	102,120	Feb 2027	Feb 2027	Financial criteria: EBIT > 6% of revenue, Net profit (loss) > 3.5% of revenue*, FCF > 2% of revenue, LISI share price > €30 CSR criteria: TF1 < 7.3, minimum 30% women among managers, energy saving on projects
	24C27 Date : 12/05/2024	7,400	159,100	Feb 2028	Feb 2028	Financial criteria: EBIT > 6% of revenue, Net profit (loss) > 3.5% of revenue*, FCF > 2% of revenue, LISI share price > €30 CSR criteria: TF1 < 5.6, minimum 30% women among managers, energy saving on projects
	TOTAL	40,600	477,292			

In order to comply with the provisions of Article 25.3.3 of the AFEP-MEDEF Code relating to the long-term compensation of executive corporate officers, which includes the allocation of free shares subject to performance conditions, the Board of Directors approved the NRG Committee's proposal defining the following conditions:

- Percentage of compensation that must not exceed the allocation of free shares subject to performance conditions: 100% of the maximum fixed and variable compensation for the current year for each corporate officer.
- Maximum percentage of free shares subject to performance conditions that may be awarded to executive directors: 10% of the total amount approved by the Shareholders' General Meeting in accordance with Articles L.225-197-1 *et seq.*

Performance shares that became available during the 2024 fiscal year for each executive corporate officer

The LISI Board of Directors, which met on February 22, 2024, approved the financial results of the LISI Group and its divisions. The Board also noted the CSR performance achieved.

In total, the shares definitively vested by the corporate officer beneficiaries under the 21C23 plan amounted to 61% of the total shares granted.

	Plan number and allocation date	Number of shares that vested during the fiscal year	Acquisition date	Date of availability	Terms & conditions
Emmanuel VIELLARD Function: CEO	21C23 Date: 12/08/2021	4,209	02/22/2024	02/22/2024	Obligation to hold in registered form 20% of the Performance Shares acquired in accordance with the terms of the plan regulations, until the termination of the term of office
Jean-Philippe KOHLER Function: Chairman of the Board of Directors	21C23 Date: 12/08/2021	1,120	02/22/2024	02/22/2024	

The number of shares that became available to Mr. Jean-Philippe KOHLER corresponds to the portion relating to the period of his executive mandate, *i.e.* from January 1 to April 12, 2023.

2.3.3.4 - Equity ratios between the level of remuneration of executive corporate officers and the average and median remuneration of employees

The ratios presented below under 6° and 7° of Article L.22-10-9, I of the French Commercial Code were calculated in accordance with the guidelines proposed by the AFEP.

The employees whose compensation is taken into account are all employees of the LISI Group in France at the end of December 2024, excluding executive corporate officers

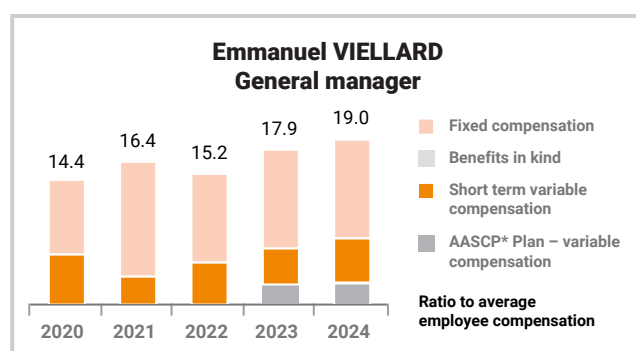
(excluding interns, work-study students and employees on fixed-term contracts).

The ratios were calculated on the basis of the fixed and variable compensation due during the fiscal years mentioned and the number of shares definitively allocated for these same periods.

	2020	2021	2022	2023	2024
Company performance					
Revenue (in millions of euros)	1,230	1,164	1,425	1,630	1,794
Change N/N-1	(28.9)%	(5.4)%	22.5%	14.4%	10.0%
Current operating profit (in millions of euros)	42	67	89	91	115
Change N/N-1	(73.2)%	60.5%	33.8%	1.8%	26.9%
Current operating margin (as a %)	3.4%	5.7%	6.3%	5.6%	6.4%
Change N/N-1	- 5,6 pts	+ 2,3 pts	+ 0,6 pt	- 0,7 pts	+ 0,8 pt
Employee compensation					
Average compensation (in thousands of euros)	35.3	36.0	36.9	40.7	41.7
Change N/N-1	(2.7)%	1.8%	2.5%	10.3%	2.5%
Median compensation (in thousands of euros)	31.5	32.3	33.8	35.4	37.4
Change N/N-1	(4.4)%	2.6%	4.6%	4.7%	5.6%
EMMANUEL VIELLARD – Chief Executive Officer					
Compensation due (in thousands of euros)	510	589	562	728	795
Change N/N-1	(22.5)%	15.6%	(4.7)%	20.6%	9.1%
Ratio to average employee compensation	14.4	16.4	15.2	17.9	19.0
Change N/N-1	(20.3)%	13.5%	(7.0)%	17.5%	6.4%
Ratio to median employee compensation	16.2	18.2	16.6	20.6	21.3
Change N/N-1	(19.0)%	12.6%	(8.9)%	23.7%	3.2%

Change in annual fixed and variable compensation for the executive corporate officer due over the last 5 fiscal years

The graph below shows the ratio of average compensation to total compensation for employees, broken down by type of compensation.

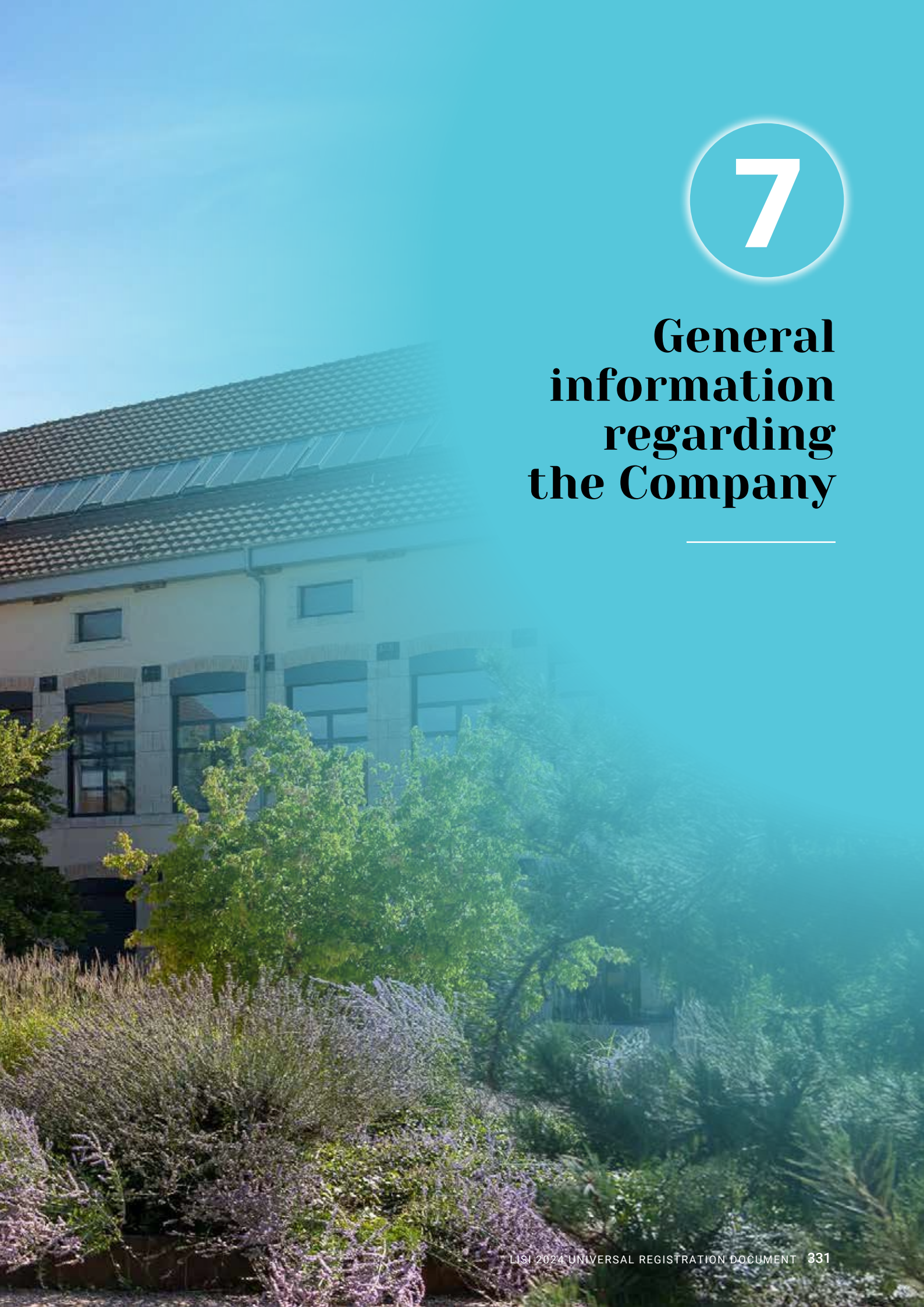


* Allocation of shares subject to performance conditions.

2.4 Implementation of the “apply or explain” rule of the AFEP-MEDEF Code of December 2022

The latest changes relating to the composition of the Board of Directors by decision of the General Meeting of April 26, 2024 and the composition of the Committees of the Board of Directors of the Company comply with the provisions of the AFEP-MEDEF Code.





7

General information regarding the Company

General information regarding the Company

Contents

1	Information about the issuer and the Company's share capital	333
1.1	Information about the issuer	333
1.2	Share capital	333
1.3	Breakdown of share capital and voting rights – Shareholders' agreement	334
1.4	Dividend distribution policy – Dividend prescription period	336
1.5	Share repurchase program	337
1.6	Liquidity of the share	338
1.7	Company name – Head Office and legislation	339
2	General Meeting	341
2.1	Agenda	341
2.2	Text of the draft resolutions	341
3	Special report of the Statutory Auditors on the agreements	345
3.1	Statutory Auditors' special report on related-party agreements – Fiscal year ended December 31, 2024	345

1 Information about the issuer and the Company's share capital

1.1 Information about the issuer

LISI share datasheet

ISIN Code: FR 0000050353
 Reuters code: GFII.PA
 Bloomberg code: FII.FP
 Compartment: A Eurolist
 Stock market: Euronext Paris
 Number of shares: 46,538,313
 Market capitalization at December 31, 2024: €1,023.8 million
 Indices: CAC® All Shares, CAC® Small, CAC® Mid & Small,
 CAC® All-Tradable, CAC® Industrials

1.2 Share capital

Amount of share capital

Share capital taken up by shareholders and fully paid-up, as at December 31, 2024, amounted to €18,615,325.20 divided into 46,538,313 shares with a nominal value of €0.40 of the same category.

Changes in share capital over the past five years

Date of General Meeting	Date of Board Meeting	Nature of the Transactions	Nominal Increase (Reduction) in Capital	Increase (Reduction) in Capital Including Premium	Number of Shares Created (Cancelled)	Nominal Value of Shares	Total Number of Shares After the Issue	Capital After the Transaction
CAPITAL AT 2024: €18,615,325.20 DIVIDED INTO 46,538,313 SHARES WITH A NOMINAL VALUE OF €0.40								
05/15/2023	02/23/2023	Capital reduction following a public stock buyback tender offer	-€3,030,402	-€201,521,706	-€7,576,004	€0.40	€46,538,313	€18,615,325

Share capital authorized but not issued

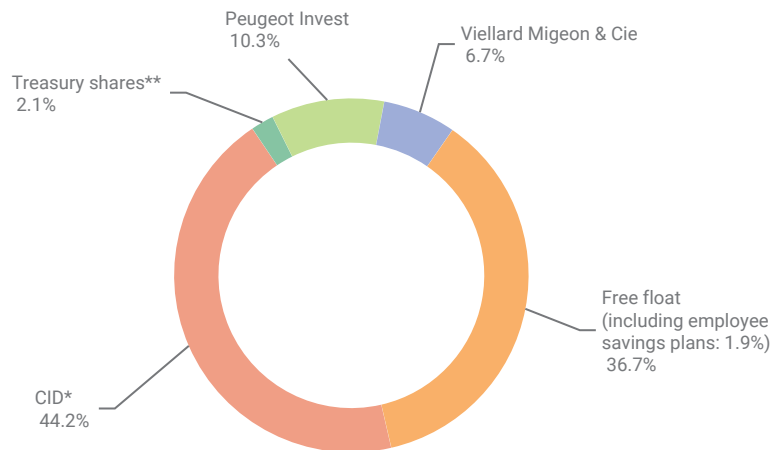
None.

Potential capital securities

At December 31, 2024, there are no warrants providing access to capital.

1.3 Breakdown of share capital and voting rights – Shareholders' agreement

	12/31/2024			12/31/2023		
	as % of the share capital	as % of voting rights	in number of shares	as % of the share capital	as % of voting rights	in number of shares
CID	44.2	57.8	20,562,550	44.2	58.2	20,562,550
Viellard Migeon & Cie	6.7	8.3	3,112,818	6.7	8.3	3,112,818
Peugeot Invest Assets	10.3	8.1	4,795,859	14.4	10.8	6,695,859
Other Corporate Officers	0.3	0.3	126,600	0.3	0.3	124,740
TOTAL CORPORATE OFFICERS	61.4	74.5	28,597,827	66	77.7	30,495,967
<i>of which Directors</i>	<i>0.1</i>	<i>0.2</i>	<i>45,834</i>	<i>0.1</i>	<i>0.1</i>	<i>41,625</i>
Treasury Shares	2.1	0.0	979,486	2.3	0.0	1,064,830
Employees	1.9	1.2	883,545	1.9	1.3	903,139
Public	34.6	24.3	16,077,455	30.2	21.0	14,074,377
GRAND TOTAL	100.0	100.0	46,538,313	100.0	100.0	46,538,313



* Including direct and indirect equity interests
Viellard Migeon & Cie: 27.3%
CIKO: 22.4%

** Reserved for performance share plans

Shareholders or group of shareholders controlling more than 3% of the share capital:

- **The sole activity of CID**, 6 Rue Juvénal Viellard, CS 70431 Grandvillars, 90008 BELFORT Cedex is holding LISI securities. At December 31, 2024, it held 44.2% of the LISI S.A. share capital and 57.8% of the voting rights.

Since 2023, CID's capital is held by two family shareholder groups through family holdings (KOHLER family through CIKO, and VIELLARD family through Viellard Migeon & Cie). There are no direct family ties between the shareholders.

At December 31, 2024, the capital of CID broke down as follows:

- CIKO for 50.6%,
- Viellard Migeon & Cie for 46.7%,
- Others for 2.7%.

The main activity of **CIKO**, at 7 rue du Stade, 90100 DELLE, is the holding of LISI and CID shares. At December 31, 2024, it indirectly held 22.4% of the LISI S.A. share capital.

At December 31, 2024, **Viellard Migeon & Cie**, a company based at route des Forges 90120 MORVILLARS, directly held 6.7% of the LISI share capital and 8.3% of the voting rights. At the same date, it indirectly held 20.6% of the LISI S.A. capital, *i.e.* in total 27.3% of the capital.

- **PEUGEOT Invest Assets**, a company based at 66, avenue Charles de Gaulle 92522 NEUILLY-SUR-SEINE Cedex, directly held 10.3% of the LISI share capital and 8.1% of voting rights as of December 31, 2024.

To the Company's knowledge, no other shareholders hold over 3% of the share capital or voting rights, be it directly or jointly.

Shareholders' agreement – concerted actions

Following on from the previous agreements, a new agreement binding Viellard Migeon & Cie – CIKO and CID was signed on February 23, 2023. The latter, for a period of 20 years, provides for the maintenance of strictly joint

family management of CID by Viellard Migeon & Cie and CIKO (with equal representation on the Board of Directors of CID and LISI), as well as, notably, a commitment for Viellard Migeon & Cie to vote at LISI General Meetings within the meaning defined by CID.

To the best of LISI's knowledge, on the date on which this document was drafted, there were no actions in concert, as defined in Articles L.233-10 and L.233-11 of the French Commercial Code.

Threshold crossing

LISI must be informed of the identity of its main shareholders when a threshold of between 3% and 5% is crossed, as required by the bylaws and the legal framework.

Over the course of the 2024 fiscal year, the following information was communicated to the company:

- On January 19, 2024, Peugeot Invest Assets (France) declared that it had sold 1,900,000 LISI shares, *i.e.* 4.1% of the share capital. Since this transaction, Peugeot Invest Assets holds 10.3% of the share capital and 8.1% of the voting rights.
- Global Alpha Capital Management Ltd (Canada), acting on behalf of its clients and the funds it manages, declared, on November 15, 2024, that it had crossed a threshold, reducing the percentage of the share capital it held to 4.97% and its voting rights to 3.23%.
- Brandes Investment Partners L.P. (USA) declared, on December 13, 2024, an upward crossing of the threshold, bringing the share capital it held to 5.02% and its voting rights to 3.30%.

Pledging

To the Company's knowledge, no pure registered shares have been pledged as collateral.

LISI S.A. shareholding

The most recent IBS ("Identifiable Bearer Security") analysis carried out at December 31, 2024, identified 4,404 shareholders with a final identification rate of 99.3%.

Based on the survey conducted by Euroclear France, the free-float portion of LISI's bearer shareholding, i.e. 28.3%, breaks down as follows:

	Number of shareholders	% of share capital held	Number of shares
French investors	67	6.7%	3,131,664
Foreign investors	134	15.5%	7,230,432
Total institutional investors	201	22.3%	10,362,096
Individual French and international shareholders	4,201	1.6%	763,003
Total institutional & individual shareholders	4,402	23.9%	11,125,099
"LISI in shares" Group Savings Plan	1	1.9%	883,545
Treasury Shares	1	2.0%	930,555
TOTAL IBS ANALYSIS – IDENTIFIED HOLDERS	4,404	28.3%	12,939,199

The geographical breakdown of the institutional shareholders is as follows:

	Number of shareholders	% of share capital held
United States	67	49.1%
France	67	30.2%
United Kingdom	11	8.9%
Other	33	8.0%
Canada	12	3.8%
TOTAL INSTITUTIONAL INVESTORS	201	100.0%

Individual shareholders are mainly French (80%).

LISI S.A. treasury shares

At December 31, 2024, LISI S.A. held 979,486 of its treasury shares, or 2.1% of the share capital.

Most of these shares are destined to be allocated as performance shares.

1.4 Dividend distribution policy – Dividend prescription period

The distributable profit is at the disposal of the General Meeting, which determines its allocation.

History of dividends paid per share:

	Net dividend in €
2020	0.14
2021	0.29
2022	0.15
2023	0.31
2024 (1)	0.39

(1) Proposed by the Board of Directors meeting held on February 26, 2025, subject to the decision of the Ordinary General Meeting of April 25, 2025. The dividend payment date was set at May 5, 2025.

The timeframe for paying dividends is 9 months as of the year-end date. Unclaimed dividends are waived to the State after a period of five years counting from the payment date.

Loyalty dividend

The General Meeting held on April 24, 2018, having heard the Board of Directors' report, decided to introduce the allocation of a loyalty dividend for shareholders into the Company's bylaws.

Therefore, a bonus of 10% is allocated to all shareholders with evidence of being personally registered at the end of the fiscal year for at least two years and are still registered on the date of payment of the dividend.

The number of shares eligible for this bonus may not exceed, for a single shareholder, 0.5% of the Company's share capital.

1.5 Share repurchase program

In place at December 31, 2024

On April 26, 2024, the Ordinary General Meeting authorized the Company to repurchase treasury shares up to 10% of the share capital in the open market for a period of 18 months, *i.e.* up until October 27, 2025.

LISI S.A. is therefore considering a share buyback plan for the following purposes:

- market-making for the Company's shares by an investment services provider through a liquidity agreement in accordance with the code of ethics recognized by the AMF, it being specified that, in this case, the number of shares taken into account for the calculation of the limit of 10% of the share capital of the Company referred to above corresponds to the number of shares purchased, less the number of shares resold during the term of the authorization,
- the granting of stock options or the allocation of free shares to employees and corporate officers of the Company and/or its Group as well as the allocation or sale of Company shares in the company or group savings plans or other similar plans,
- the hedging of marketable securities giving the right to the allocation of shares in the Company under the conditions provided for by law,
- to retain and use shares at a later date as consideration or payment for potential acquisitions,

- to cancel shares purchased, subject to the approval of the Extraordinary General Meeting to be called at a later date,
- the implementation of any market practice accepted or that may come to be accepted by the AMF and, more generally, the performance of any other transaction in accordance with the regulations in force, subject to informing the shareholders by press release.

The following terms apply to this authorization:

- the Company may not repurchase its own shares for more than €60, not including transaction fees.

The highest figure that LISI S.A. would pay if it purchased shares at the ceiling price set by the General Meeting, *i.e.* €60, is €215,340,060.

Under the above-mentioned share buyback program, LISI S.A. acquired 313,044 treasury shares in 2024, *i.e.* 0.7% of the total number of shares issued. In the other direction, the Company sold 291,595 shares, *i.e.* 0.6% of the total number of shares issued.

These purchases and sales were made exclusively under the market making agreement with Oddo BHF. The market-making contract complies with the ethical charter of the AMAFI.

The transactions carried out by the Company on its own shares are summarized in the table below:

	Number of shares	Average price weighted in €
SHARES HELD AT 01/01/2024	1,064,830	10.53
Shares acquired in 2024	313,044	24.50
Shares awarded in 2024	(106,793)	7.46
Shares sold in 2024	(291,595)	24.41
SHARES HELD AT 12/31/2024	979,486	11.09
<i>Of which securities intended for market-making</i>	40,328	
<i>Of which share-based compensation</i>	939,158	
<i>Of which available shares</i>	0	

1.6 Liquidity of the share

Multiplace free float capital turnover rate: 63.9%

Average number of securities traded per day in 2024: 55,326.

Month	Closing rates	Highest price	Lowest price	Session average	volumes	during the month ⁽¹⁾
2023						
January	20.40	20.80	18.46	19.63	13,984	703,106
February	25.10	25.50	20.40	22.95	13,917	596,171
March	24.40	25.10	23.70	24.40	10,851	444,733
April	25.70	26.10	24.05	25.08	5,525	220,688
May	24.95	27.00	24.70	25.85	11,037	427,047
June	26.30	26.40	23.75	25.08	4,300	172,723
July	23.75	26.35	22.70	24.53	5,049	211,116
August	22.55	23.90	21.70	22.80	22,289	1,001,357
September	22.25	23.15	21.70	22.43	9,243	416,022
October	21.85	22.60	20.30	21.45	5,124	243,170
November	22.40	22.75	21.40	22.08	6,270	284,433
December	23.60	23.90	21.90	22.90	5,977	259,764
2024						
January ⁽²⁾	21.80	23.90	20.85	22.38	50,594	2,381,115
February	23.70	23.95	21.60	22.78	9,453	408,954
March	23.65	24.10	23.25	23.68	6,018	252,803
April	24.60	25.30	23.55	24.43	8,782	359,169
May	26.40	29.30	24.45	26.88	11,394	422,147
June	23.20	28.05	22.95	25.50	11,129	440,514
July	25.45	26.00	22.60	24.30	7,693	316,631
August	28.50	28.60	24.35	26.48	8,813	329,842
September	26.50	28.60	25.75	27.18	6,478	241,771
October	22.30	26.90	22.00	24.45	8,878	368,074
November	20.85	23.30	20.55	21.93	9,462	435,251
December	22.00	22.50	20.50	21.50	5,837	267,418
2025						
January	27.40	28.00	22.10	25.05	8,307	320,018
February	26.60	28.55	26.40	27.48	6,632	241,387
March	29.15	30.85	25.40	28.13	10,575	365,044

(1) The transaction volumes and securities traded correspond to the average recorded only for the Euronext market.

(2) The volume of transactions and securities processed during the month includes the sale of 1,900,000 shares by PEUGEOT INVEST ASSETS on January 19, 2024, i.e. 4.1% of LISI S.A.'s share capital.

Market maker's contract

The market-making contract complies with the ethical charter of the AMAFI and is implemented by:

ODDO BHF

Mr. Éric BIGOTTEAU

Email: eric.bigotteau@oddo-bhf.com

Tel.: +33 (0)6 86 63 92 18

1.7 Company name – Head Office and legislation

Company name and head office

LISI S.A. - 6 rue Juvénal Viellard - CS 70431 Grandvillars - 90008 BELFORT Cedex.

Legal form of the issuer and applicable legislation

"Société Anonyme" (public limited company) governed by French legislation.

Place and number of registration

- Register of Incorporated Companies: BELFORT 536 820 269
- NAF Code: 7010 Z
- LEI: 969500UU4058BR802Y55

Incorporation and term – articles of Association and bylaws

Incorporation and term

The Company was set up on July 5, 1968. Its term expires on July 4, 2067, excepting early dissolution or renewal.

Purpose

According to Article 2 of the bylaws, the Company's purpose is:

- The acquisition of equity interests in all types of companies, including commercial, manufacturing, financial, securities and property development companies;
- The manufacture, purchase and sale of all items, especially those relating to screws, nuts and bolts, forging, lathing and machine tooling and building machines;
- Where necessary, any transactions concerning the machine industry and the selling of related articles, the direct or indirect participation in any transactions or deals that may be related to said purposes or that may favor the development of a business, in any form whatsoever, including the creation of a new company, a contribution, subscription, purchase of securities and rights;
- And more generally, all commercial, securities and real estate transactions, be they directly or indirectly related to the corporate purpose or likely to facilitate its expansion or growth.

Fiscal year

The company's accounting period begins on January 1 and ends on December 31 of each year.

Specific statutory clauses

Article 9 – Crossing of threshold disclosures

- Shares are freely tradable in the absence of any legal or regulatory provisions to the contrary.
- Shares are delivered by transfer from one account to another pursuant to the terms and conditions set forth by regulations.
- The Company's shares are indivisible.
- At any time when it is necessary to own a number of existing securities to be able to exercise any right whatsoever, or in case of an exchange or allocation of shares giving the right to a new share in exchange for several existing securities, the single shares or in a number less than that required will confer no rights to the bearers against the Company, the holders being required to take personal responsibility for the grouping and, as appropriate, for the purchase or sale of the necessary number of securities.
- Without prejudice to the provisions of Article 356-1 of Law No. 66-537 of July 24, 1966, any person who directly or indirectly holds or comes to hold, directly or indirectly, within the meaning of said Article 356-1, at least 3% of the capital, is required, within fifteen days from the crossing of that shareholding threshold, to declare to the Company by registered letter with acknowledgment of receipt sent to the registered office, the total number of shares he or she owns.
- All shareholders are also required to inform the Company within the same period if the stake in the Company should fall below the above-mentioned thresholds.
- In the event that beneficial share ownership is not reported in accordance with the aforementioned procedures, the shares that exceed the reporting threshold shall be deprived of voting rights for all Shareholders' Meetings held within a period of up to three months after the date the declaration of beneficial ownership is finally made in accordance with the proper procedures, by one or more shareholders who jointly own at least 5% of the share capital, as recorded in the minutes of the General Meetings.

Article 15 - General Meetings

1. General Meetings are convened and deliberate in accordance with the applicable legal provisions. They are held at the head office or at any other location specified in the meeting notice.

2. The General Meeting consists of all shareholders, regardless of how many shares they own, providing that the shares are fully paid-up.

The right to attend in person or to be represented by proxy is subject:

- For registered shareholders, to the registration of their shares in a “pure” nominee or administered personal account at least five days before the date of the Meeting,
- For holders of bearer shares, if any exist, to the submission within the same period of time, of a certificate established by the authorized proxy acknowledging the unavailability of the shares registered in the account until the date of the Meeting.

However, the Board of Directors may, as a general rule, reduce or waive this time period.

3. The meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the oldest Deputy Chairman, or in the absence of a Deputy Chairman, by the most senior director present at the Meeting. Failing this, the Meeting shall elect its Chairman.

4. Barring any legal or regulatory measures to the contrary, each member of the General Meeting is entitled to as many votes as the shares he or she owns or represents, both in their own name and as a proxy.

However, certain shares have double the voting rights of other shares in view of the proportion of share capital they represent, namely:

- all fully paid-up shares registered in the name of the same shareholder for at least four (4) years,
- all registered shares allocated free of charge to shareholders as part of a capital increase carried out through the incorporation of reserves, profits or issue premiums, up to the number of existing shares for which they are entitled to such double voting rights.

Double voting rights cease to apply once the shares change hands. However, the aforementioned time period is not interrupted and double voting rights still apply in the event that transfers occur as a result of inheritance, liquidation of community property between spouses or gifts inter vivos to a partner or family relation who is entitled to inheritance rights.

5. In the event that shareholders vote by proxy, only those proxy votes that have arrived at the company at least three days prior to the date of the General Meeting will be counted.

Moreover, attendance of a shareholder at the General Meeting shall consequently render null and void the postal vote and/or the form of proxy which said shareholder may have, where appropriate, sent to the company; the shareholder's presence shall override any other form of participation which he may have previously chosen. If the shareholder is not present at the meeting, his power of attorney is only taken into consideration with respect to the votes cast in his proxy voting form if one has been submitted.

Article 17 - Distribution of earnings

Out of the distributable profit, all amounts the General Meeting shall decide to carry forward to the next year or allocate to the creation of extraordinary, contingency, or other funds, with or without a special allocation. The remainder is distributed between the shareholders, in proportion to the share capital held.

Each shareholder may be granted the option of receiving payment in cash or in shares under the terms provided for by law, for all or part of the dividend or the advance on the dividend distributed. An additional loyalty dividend of 10% is allocated to all shareholders with evidence of being personally registered at the end of the fiscal year for at least two years and are still registered on the date of payment of the dividend.

Insofar as the Company's securities are able to be traded on a regulated market, the number of shares eligible for this bonus may not exceed, for a single shareholder, 0.5% of the Company's share capital.

The same bonus may be allocated under the same conditions if there is a distribution of free shares.

Consultation of corporate documents

The legal documents concerning the Company LISI S.A. (bylaws, minutes of General Meetings, Statutory Auditors' reports, and all other documents made available to the shareholders) may be consulted upon request at Company's head office located at the following address: Société LISI S.A., 6 Rue Juvénal Viellard, CS 70431 Grandvillars, 90008 BELFORT.

2 General Meeting

2.1 Agenda

WITHIN THE POWERS OF THE ORDINARY GENERAL MEETING

- Approval of the consolidated financial statements for the fiscal year ended December 31, 2024;
- Approval of the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code;
- Discharge granted to the directors and statutory auditors;
- Allocation of the income for the fiscal year ended December 31, 2024;
- Renewal of the term of office of Mr. Bernard BIRCHLER;
- Renewal of the term of office of Ms. Françoise GARNIER;
- Renewal of the term of office of CIKO;
- Renewal of the term of office of Peugeot Invest Assets;
- Renewal of the term of office of Viellard Migeon et Compagnie;
- Approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers awarded or due during the fiscal year ended December 31, 2024;

- Approval of the components of compensation paid during or awarded in respect of the fiscal year ended December 31, 2024, to Mr. Jean-Philippe KOHLER, Chairman of the Board of Directors;
- Approval of the components of compensation paid during or awarded in respect of the fiscal year ended December 31, 2024, to Mr. Emmanuel VIELLARD, CEO;
- Approval of the remuneration policy applicable to the Chairman of the Board of Directors;
- Approval of the remuneration policy applicable to the Chief Executive Officer;
- Approval of the remuneration policy applicable to directors;
- Setting of the compensation paid to directors;
- Authorization to be granted to the Board of Directors to trade in the Company's shares;
- Powers for legal formalities;

2.2 Text of the draft resolutions

WITHIN THE POWERS OF THE ORDINARY GENERAL MEETING

First resolution – Approval of the annual financial statements for the fiscal year ended December 31, 2024

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' general report on the annual financial statements for the fiscal year ended December 31, 2024, approves the annual financial statements for the fiscal year ended December 31, 2024 as they were presented to it, showing a profit of €59,880,729.56, as well as the transactions reflected in these financial statements or summarized in these reports. In particular, the General Meeting approves the spending carried out over the last year in relation to the transactions covered by Article 39-4 of the French General Tax Code, which amounts to a total of €44,846.

Second resolution – Approval of the consolidated financial statements for the fiscal year ended December 31, 2024

The General Meeting, having reviewed the report of the Board of Directors and the general report of the Statutory Auditors on the consolidated financial statements for the

fiscal year ended December 31, 2024, approves the consolidated financial statements prepared in accordance with the provisions of Articles L.233-16 et seq. of the French Commercial Code for the fiscal year ended December 31, 2024, as they were presented to it, showing a profit of €56,005,892.50.

Third resolution – Approval of the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code

The General Meeting, having reviewed the special report of the Statutory Auditors on the agreements covered by Article L.225-38 of the French Commercial Code, approves the information provided in this report.

Fourth resolution – Discharge granted of the Directors and the Statutory Auditors

The General Meeting gives full discharge to the Directors for their work for the fiscal year December 31, 2024, and to the Statutory Auditors for their term of office.

Fifth resolution – Allocation of the income of the fiscal year ended December 31, 2024

The General Meeting, on the proposal of the Board of Directors, resolves to allocate the income of the fiscal year ended on December 31, 2024, as follows:

profit (loss) for the period	59,880,729.56
retained earnings brought forward	45,678,709.30
i.e., a distributable profit of	105,559,438.86
allocated as follows:	
a dividend of €0.39 per share, i.e., the total amount ⁽¹⁾ of	18,149,942.07
to the retained earnings account, the balance, i.e., the sum of	87,409,496.79

- (1) The General Meeting held on April 24, 2018, having heard the Board of Directors' report, decided to introduce the allocation of a loyalty dividend for shareholders into the Company's bylaws. Therefore, a bonus of 10% is allocated to all shareholders with evidence of being personally registered at the end of the fiscal year for at least two years and are still registered on the date of payment of the dividend. The number of shares eligible for this bonus may not exceed, for a single shareholder, 0.5% of the Company's share capital.
- (2) The dividend for the shares held by the Company as treasury shares will be deducted from this amount. Full powers are thus granted to the Board of Directors to determine the final total amount of the distribution and, consequently, the amount to be charged to retained earnings.

The amount of dividends distributed will be eligible for the rebate of 40% benefiting, where applicable, individuals domiciled for tax purposes in France, in accordance with Article 158-3-2° of the French General Tax Code.

The shares will be traded ex-dividend on April 30, 2025, and will be paid on May 5, 2025.

In addition, it should be noted that the dividends paid out for the three previous fiscal years were as follows, per share:

Fiscal year	Dividend paid ⁽³⁾
December 31, 2021	€0.29
December 31, 2022	€0.15
December 31, 2023	€0.31

- (3) Amount fully eligible for the 40% allowance benefiting, where applicable, natural persons domiciled in France for tax purposes, in accordance with Article 158-3-2° of the French General Tax Code.

Sixth resolution – Renewal of the term of office of Mr. Bernard BIRCHLER

The General Meeting, having reviewed the Board of Directors' report, renews the term of office of Mr. Bernard BIRCHLER, for a term of four years expiring at the end of the General Meeting that, in 2029, will review the financial statements for the fiscal year ended 31 December 2028.

Seventh resolution – Approval of the renewal of the term of office of Ms. Françoise GARNIER

The General Meeting, having reviewed the Board of Directors' report, renews the term of office of Ms. Françoise GARNIER, for a term of four years expiring at the end of the General Meeting that, in 2029, will review the financial statements for the fiscal year ended 31 December 2028.

Eighth resolution – Approval of the renewal of the term of office of CIKO

The General Meeting, having reviewed the Board of Directors' report, renews the term of office of CIKO, for a term of four years expiring at the end of the General Meeting that, in 2029, will review the financial statements for the fiscal year ended 31 December 2028.

Ninth resolution – Approval of the renewal of the term of office of Peugeot Invest Assets

The General Meeting, having reviewed the Board of Directors' report, renews the term of office of Peugeot Invest Assets, for a term of four years expiring at the end of the General Meeting that, in 2029, will review the financial statements for the fiscal year ended 31 December 2028.

Tenth resolution – Renewal of the term of office of Viellard Migeon et Compagnie

The General Meeting, having reviewed the Board of Directors' report, renews the term of office of Viellard Migeon et Compagnie, for a term of four years expiring at the end of the General Meeting that, in 2029, will review the financial statements for the fiscal year ended 31 December 2028.

Eleventh resolution – Approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers awarded and due during the fiscal year ended December 31, 2024

The General Meeting, in accordance with the provisions of Article L.22-10-34 I of the French Commercial Code, approves the information mentioned in Article L.22-10-9 I of said Code for the fiscal year ended December 31, 2024, as described in the report on corporate governance prepared by the Board of Directors.

Twelfth resolution – Approval of the components of compensation paid during or awarded in respect of the fiscal year ended December 31, 2024, to Mr. Jean-Philippe KOHLER, Chairman of the Board of Directors

The General Meeting, in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Mr. Jean-Philippe KOHLER in his capacity as Chairman of the Board of Directors, as described in the report on corporate governance prepared by the Board of Directors.

Thirteenth resolution – Approval of the components of compensation paid during or awarded in respect of the fiscal year ended December 31, 2024, to Mr. Emmanuel VIELLARD, CEO

The General Meeting, in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Mr. Emmanuel VIELLARD in his capacity as CEO, as described in the report on corporate governance prepared by the Board of Directors.

Fourteenth resolution – Approval of the compensation policy applicable to the Chairman of the Board of Directors

The General Meeting, in accordance with the provisions of Article L.22-10-8 of the French Commercial Code, approves the compensation policy applicable to the Chairman of the Board of Directors, as described in the report on corporate governance prepared by the Board of Directors.

Fifteenth resolution – Approval of the compensation policy applicable to the CEO

The General Meeting, in accordance with the provisions of Article L.22-10-8 of the French Commercial Code, approves the compensation policy applicable to the Chief Executive Officer, as described in the report on corporate governance prepared by the Board of Directors.

Sixteenth resolution – Approval of the compensation policy applicable to directors

The General Meeting, in accordance with the provisions of Article L.22-10-8 of the French Commercial Code, approves the compensation policy applicable to directors, as described in the report on corporate governance prepared by the Board of Directors.

Seventeenth resolution – Setting of the compensation paid to directors

The General Meeting sets the annual amount of compensation to be distributed among the directors at a maximum of €600,000.

This amount will remain applicable as of 2025 and until the General Meeting decides otherwise.

Eighteenth resolution – Authorization to be granted to the Board of Directors to trade in the Company's shares

The General Meeting, having reviewed the Board of Directors' report, in accordance with Article L.22-10-62 of the French Commercial Code:

- Authorizes the Board of Directors to proceed, by any means, to purchases of Company shares, up to a maximum of 10% of the Company's share capital, i.e. 4,653,831 shares, with the exception of purchases of shares in the Company intended for the holding and subsequent delivery of shares in exchange or as payment in the context of potential external growth transactions, the limit of which will be 5% of the share capital, i.e. 2,326,916 shares, these limits being adjustable, where applicable, to take into account any capital increase or reductions that may occur during the duration of the program;
- Decides that the acquired shares will be used as follows:
 - market-making for the Company's shares by an investment services provider through a liquidity contract in accordance with the code of ethics recognized by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), it being specified that, in this case, the number of shares taken into account for the calculation of the limit of 10% of the share capital of the Company referred to above corresponds to the number of shares purchased, less the number of shares resold during the term of the authorization;
 - the granting of stock options or the allocation of free shares to employees and corporate officers of the company and/or its Group as well as the allocation or sale of company shares in the company or group savings plans or other similar plans,
 - the hedging of marketable securities giving the right to the allocation of shares in the company under the conditions provided for by law,
 - to retain and use shares at a later date as consideration or payment for potential acquisitions,
 - to cancel shares purchased, subject to the approval of an Extraordinary General Meeting to be called at a later date;

- the implementation of any market practice accepted or that may come to be accepted by the AMF and, more generally, the performance of any other transaction in accordance with the regulations in force, subject to informing the shareholders by press release;
- Decides that:
 - the acquisition, sale or transfer of shares may be carried out by any means and at any time, on one or more occasions, and this in compliance with the regulations in force, on the market or off-market, including by the acquisition of blocks or the use of derivatives traded on a regulated or over-the-counter market,
 - the Company may not repurchase its own shares for more than €60 per share, not including transaction fees. In the event of a transaction involving the share capital, in particular a share split or reverse stock split or free allocation of shares to shareholders, this amount will be adjusted in the same proportions (multiplying coefficient equal to the ratio of the number of shares comprising the capital before the transaction and the number of shares after the transaction). The highest figure that the Company would pay if it purchased shares at the ceiling price set by the General Meeting, *i.e.* €60 per share, is €220,460,700,
- this authorization is valid for a period of 18 months from the date of this General Meeting. It cancels any effect for the unused portion and the remaining period, and replaces the authorization given under the thirteenth resolution of the Ordinary General Meeting of April 26, 2024;
- Grants full powers to the Board of Directors, with the right to delegate and within the limits decided above, to implement this authorization, in particular to place all orders on the stock market, enter into all agreements, allocate or reallocate any shares acquired for the purposes pursued under the conditions provided for by law, set the conditions under which the rights of holders of securities giving access to the share capital will be ensured under the conditions provided for by law and, where applicable, the related contractual stipulations, prepare all documents and press releases, carry out all formalities and declarations to all bodies and, in general, do whatever is necessary.

Nineteenth resolution – Powers for legal formalities

The General Meeting assigns all rights to the bearer of an original, a copy or extracts of the minutes of its deliberations for the purpose of accomplishing all formalities, as well as all legally required filings and publications.

3 Special report of the Statutory Auditors on the agreements

3.1 Statutory Auditors' special report on related-party agreements – Fiscal year ended December 31, 2024

In our capacity as Statutory Auditors of your Company, we will now present our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the essential features and conditions applicable to the agreements and commitments of which we have been informed or which we may have discovered in the context of our assignment, and the evidence of their benefit for the Company, without having to express an opinion as to their usefulness or appropriateness, nor to investigate the existence of other such agreements. It is your responsibility to assess the benefit involved in entering into these agreements prior to

their approval, in accordance with the terms of Article R.225-31 of the French Commercial Code.

Furthermore, it is our responsibility, if applicable, to provide you with the information pursuant to Article R.225-31 of the French Commercial Code regarding the enforcement, in the year elapsed, of the agreements already approved by the General Meeting.

We have implemented the due diligence measures deemed necessary for this mission as outlined by France's national audit regulatory body, the *Compagnie Nationale des Commissaires aux Comptes*.

Agreements submitted for approval to the General Meeting

We hereby inform you that we have not been informed of any agreement authorized and entered into during the fiscal year ended to be submitted for the approval of

the General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

We inform you that we have not been made aware of any agreement already approved by the General Meeting

whose implementation may have continued during the period elapsed.

The Statutory Auditors

Schiltigheim, April 3, 2025
KPMG
Stéphane Devin
Partner

Paris-La Défense, April 3, 2025
ERNST & YOUNG et Autres
Henri-Pierre Navas
Partner



8

Other informations



Other informations

Contents

1	Information policy	349
1.1	Person responsible for the Universal Registration Document and Statutory Auditors	349
1.2	Person in charge of financial information	349
1.3	Statutory Auditors and Sustainability Auditor	349
1.4	Documentation	350

1 Information policy

1.1 Person responsible for the Universal Registration Document and Statutory Auditors

1.1.1 Name and function of the person responsible for the Universal Registration Document

Mr. Emmanuel VIELLARD
CEO

1.1.2 Statement by the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omissions likely to alter its meaning or interpretation.

I certify that, to the best of my knowledge, the annual financial statements and the consolidated financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the profits or losses of the issuer and of all companies included in the consolidation, and that the Group's management report in Chapter 2 presents a true and fair

view of the company's evolution and results and of the financial position of the issuer and of all companies included in the consolidation, as well as a description of the main risks and uncertainties which they are exposed to, and that it was prepared in accordance with the applicable sustainability disclosure standards".

Grandvillars, April 3, 2025
Emmanuel VIELLARD
CEO

1.2 Person in charge of financial information

Mr. Emmanuel VIELLARD

LISI

6 Rue Juvénal Viellard - CS 70431 Grandvillars
90008 BELFORT Cedex

Phone: + 33 (0)3 84 57 00 77

Website: www.lisi-group.com

Email: emmanuel.viellard@lisi-group.com

1.3 Statutory Auditors and Sustainability Auditor

Statutory Auditors

KPMG S.A. represented by Stéphane DEVIN

Tour Eqho
2 avenue Gambetta
92066 Paris la Défense Cedex

Appointed April 12, 2023. Mandate to expire during the Ordinary General Meeting ruling on the financial statements for fiscal year ending December 31, 2028.

Cabinet Ernst & Young et Autres represented by Henri-Pierre NAVAS

Tour First
1, Place des Saisons – TSA 74444
92037 PARIS LA DÉFENSE Cedex

Appointed April 12, 2023. Mandate to expire during the Ordinary General Meeting ruling on the financial statements for fiscal year ending December 31, 2028.

Sustainability Auditor

RSE France, represented by Gérard SCHOUN

6 Rue du Général Audran
94400 Courbevoie

Mandate granted on April 26, 2024 and expiring at the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2026.

1.4 Documentation

- Universal Registration Document in French and English
- Integrated report in French and English
- Press releases
- Other quarterly or regulated information

All documents are made available to the shareholders. They may either be requested from the Company's head office or consulted via or downloaded from the website.

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