

AXENS

Public limited company with a capital of 161,417,374.80 euros

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1 FINANCIAL AND LEGAL INFORMATION

2 SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This document is established in accordance with the provisions of Article L. 225-102-1 and R. 225-105 of the French Commercial Code. Its purpose is to present the business model, the main risks related to the group's activities, the policies and due diligence implemented and the results, including the presentation of key performance indicators for the year ended December 31, 2022.

The constituent elements of the performance statement below show that the group's social, societal and environmental responsibility approach is integrated into its global strategy and covers all its geographical locations, businesses and products. It results in the implementation of a set of good practices aimed at reducing the environmental impacts of its activities and thus enabling it to contribute to the necessary ecological and energy transitions.

2.1 Introduction

Corporate Social Responsibility (CSR) at the heart of Axens' strategy

Achieving Axens' strategic objectives is a fourfold challenge: technological, industrial, environmental and human.

The scarcity of resources, climate change, population growth but also humanity's aspiration for progress and the improvement of their living conditions are the **environmental** and **societal** issues that define the transition context in which the development of Axens will take place. Innovation for the benefit of the energy transition is also an objective that reflects throughout the IFPEN Group. This context encourages Axens to make available to its customers:

- Ever more eco-efficient **technologies and furnaces** reconciling the environment and competitiveness,
- Products associated with technologies, catalysts and adsorbents, whose environmental impact will have been limited from their production, on its own **industrial sites**, until their end of life.

This is possible thanks to the R&D support of the parent company IFPEN and the innovative teams of Axens living their profession with passion, responsible and motivated by a constructive social dialogue and guaranteeing their training.

The three pillars of Sustainable Development (social, economic, environmental) are anchored in the company's strategic objectives.

Gaining and maintaining the trust of our customers, shareholders, employees, suppliers and partners is a daily priority for Axens. In order to build trust, Axens is fully committed to ensuring that all our interested parties:

- Safe and secure operations and working conditions
- High-performance and eco-efficient technologies, equipment, products and services
- Environmental protection and pollution prevention
- Compliance with all applicable regulations
- Promotion of a culture of transparency, ethics and continuous improvement, with a focus on sustainable development

Our policies reflect our strong commitment and help us to strive for excellence, through our daily activities reflected in our certified integrated management system (Quality ISO 9001:2015, Safety, ISO 45001:2018, Environment ISO14001:2015 and Energy ISO50001:2018)

Jean Sentenac, CEO

2.1.1 Description of the Axens Business Model

Axens is a group providing a full range of solutions for the conversion of oil and biomass into cleaner fuels, the production and purification of major petrochemical intermediates, chemical recycling of plastics, all natural gas conversion treatment options as well as water treatment and carbon capture.

The offer includes technologies, equipment, furnaces, modular units, catalysts, adsorbents and related services.

Axens is ideally positioned to cover the entire value chain, from feasibility studies to start-up and monitoring of the unit, throughout its life cycle, from the design of a new unit to the improvement of an existing unit (revamping).

This unique set of solutions ensures optimal performance with a reduced environmental footprint. Axens' global offer is based on highly qualified personnel, modern production facilities and an extensive global network of industrial, commercial and technical support services.

A synthetic version of the Axens business model is presented below.

What we depend on	How do we create value ?	The value we create
<p>Human resources (more than 2000 employees)</p> <p>Natural resources (non-renewable and renewable raw materials)</p> <p>Intangible assets (R&D resources, intellectual property, patents, brands, know-how)</p> <p>Tangible fixed assets (including 15 tertiary sites, 7 production sites)</p> <p>Stakeholders and partners</p>	<p>Our Mission To offer our customers innovative and durable solutions for the production of chemical intermediaries, the treatment of natural gas and industrial effluents, an ever cleaner mobility, and to help them meet their challenges related to the protection of the environment and the energy transition..</p> <p>Our Vision In a fast-changing world shaped by increasing environmental awareness and connectivity, the energy and chemical industries must invent prospective solutions to contribute to a better quality of life and a preserved planet.</p> <p>Our Ambition To be the preferred partner through multi-specialist integrated offers, inventing and delivering ever more advanced and efficient solutions for a better world.</p> <p>Our Strategy</p> <ul style="list-style-type: none"> • Consolidate and reinforce our offer in the fields in which we are recognized • Develop our portfolios of petrochemical, gas, biofuels, bio-chemical, circular economy, while becoming a company that leverages the full potential of digitalization • Prepare our offer for a low-carbon future by investing in new areas. <p>Strategy supported by 5 Business Divisions (Commercial, Industrial Operations, New Development and Transformation, Project Operations, Technology and Technical Support)</p>	<p>Innovative solutions to meet the challenges of tomorrow and limit the environmental impact of our activities on our customers (on the one hand) and our sites by promoting their local integration (on the other hand)</p> <ul style="list-style-type: none"> - Optimize the consumption of natural resources - Reduce greenhouse gas emissions - Improve air quality and water quality <p>Health and safety</p> <ul style="list-style-type: none"> - on Axens sites - on our customers' sites <p>Culture of human values</p> <ul style="list-style-type: none"> - Equity and equality - Development and enhancement of employee skills

1. Axens Group Insights



Offices in
15 countries



7 Manufacturing
Sites



Over
70,000
tons of catalysts
and adsorbents each year
coupled with
catalysts services, inc.
regeneration



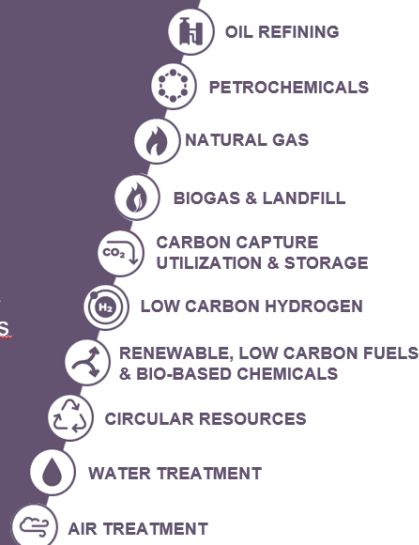
Over
3,000
industrial units
under license



Over
500 modular
units references



Over
3,500
furnaces sold



2.1.2 Scope of reporting

This document describes the Axens Group's CSR approach. It should be noted that the scope of reporting of this DPEF does not include Eurecat (a joint venture 50% owned by Axens) due to the financial consolidation method of this entity (proportional integration).

In 2022, Axens acquired HydroThane (Netherlands, 's-Hertogenbosch), a group of companies specialized in industrial wastewater treatment, water recycling, solid waste digestion and biogas treatment.

The scope (Axens Group, Axens SA France, Industrial Operations Business Division and Project Operations Business Division) may vary depending on the indicators. In this case, a reference is made to the corresponding paragraph or methodological note.

2.1.3 CSR governance

The **Board** of Directors approves the strategic plan with the Sustainable Development Goals together with the Executive Committee (ExCo). The Board of Directors has appointed the Audit Committee and the Remuneration/Appointments Committee.

The **Executive Committee** takes into account the requirements of the interested parties and ensures the development of the company and the sustainable improvement of performance, proposes and validates the Safety and Environment policies, promotes by example and ensures compliance with the Group's values. To ensure that Axens' offer is well aligned with the environmental challenges of its customers, Axens hosts actions including business and regulatory aspects in the ASAP Program (Axens Sustainable Activity Program).

The ASAP Committee (COMASAP) manages the ASAP Program and is composed of one representative of each Business entity of the Group as well as representatives of the Business Partners concerned. The CEO validates the action plan annually.

The **Leader of the ASAP** program pilots and animates the program, is also in charge of coordinating all CSR actions including the Business and regulatory aspects of the Axens Group.

2.2 CSR risk mapping and materiality analysis

2.2.1 CSR risk mapping

The table below summarizes the CSR risk analysis and mapping work of the Axens Group. The methodology followed was to exploit the materiality analysis then in force from the risk point of view. This analysis was conducted at the end of 2018 as part of a multidisciplinary working group representative of the main businesses of the Axens Group with methodological support from an expert. It was then reviewed and validated by the ASAP Committee (see paragraph 2.1.3) in charge of several CSR actions of the company. Some elements of this mapping also come from documents prepared in 2018 as part of the ISO 14001: 2015 certification of Axens SA (within its historical scope). An update was made in early 2020. This risk mapping should be considered only from a CSR perspective.

Thematic	Risks	Level of risk exposure (high, moderate or low)	Steering indicator	Paragraph reference in document
Human resources	Harm to the physical or moral integrity of teams	High	Frequency rate and severity rate	2.3.2
	Skills shortfall and loss	Moderate to high on some specialties	Number of hours of training Number of persons trained	2.5.4
	Knowledge leakage	Moderate	Turnover	2.5.1
	Deterioration of the social climate	Moderate	M/F Equality	2.5.2
Environmental protection	Resource scarcity (utilization)	High	Water consumption (m3) per ton produced on industrial sites	2.4.2.1
		Moderate	- Ratio between purchases of the main raw material and tons of finished products produced (BD IOP plant perimeter for production of catalysts and adsorbents) - Steel consumption in the (BD POP plant perimeter for manufacture of furnaces and modules)	2.4.2.1
	Resource scarcity (end-of-life and recycling)	Moderate	Amount of waste generated	2.4.2.1
	Climate change	High	- Energy consumption per ton produced on industrial sites - GHG emissions related to utility consumption at Axens plants (scope 1 and 2)	2.4.2.1
	Production reduction and shutdown	High	Number of formal notices by local authorities	2.3.2
Products (Catalysts and adsorbents / Processes, equipment and services)	Market loss (Innovation and R&D)	High	Continuous improvement of the energy efficiency of our process portfolio	2.4.3
	Resource scarcity	Moderate	- Ratio between purchases of the main raw material and tons of finished products produced (BD IOP plant perimeter for production of catalysts and adsorbents) - Steel consumption in the (BD POP plant perimeter for manufacture of furnaces and modules)	2.4.2.1
	Climate change	High	GHG emissions	2.4.2, 2.4.3
	Loss of market (Usage)	High	Share of Axens turnover associated with offers limiting environmental impact	2.4.3
		High	Number of reported major accidents or incidents	2.4.3
		High	- Evolution of the number of projects won integrating energy efficiency studies - Process book (progressive integration of the calculation of GHG emissions on the basis of utility consumption)	2.4.3
Resource scarcity (end-of-life and recycling)	Moderate	Product offering (catalysts, adsorbents, full life-cycle)	2.4.3	
Partners	Market loss (Innovation and R&D)	High	Part of IFPEN's R&D budget dedicated to new energies	2.4.3
	Supply disruption and supplier governance	High	Supplier evaluation platform (ECOVADIS and evaluation objectives)	2.4.2.3
	Injury to the physical or moral integrity of subcontractors	High	Subcontractors' adherence to the Axens Group's occupational health and safety charter	2.3

2.2.2 Materiality analysis

The materiality analysis conducted in 2022 identified five priority issues for both Axens and its stakeholders. The issues were identified through internal interviews and with stakeholders, who were asked to prioritize issues corresponding to GRI standards. These interviews were complemented by an industry benchmark. These five issues, listed below, are well in line with the CSR risk analysis and are addressed in the body of the document.

- Energy and climate change (paragraphs 2.4.2 and 2.4.3)
- Health and safety (paragraph 2.3)
- Environmental compliance; emissions, effluents and wastes (paragraph 2.4)
- Employment (paragraph 2.5)
- Anti-corruption (paragraph 2.6.1)

2.3 Health and safety

2.3.1 Axens Group Health and Safety Charter

The key elements of Axens' occupational health and safety charter "*Safety, a daily priority*" are set out below.

Ensuring the safety and health of our teams and subcontractors is not only a moral obligation, but also a guarantee of performance: this mindset ensures the safety and health of people, excellence in operations, and pride of well-executed work. Without this pillar, there is no solid foundation on which to build.

We must humbly recognize that our activity involves risks. In order to reduce and eradicate these risks, we establish rules, standards and we encourage actions and behaviors that protect.

Axens health and safety Management System includes objectives based on two axes:

- Security at Axens sites

Axens makes every effort to guarantee the health and safety of its staff, subcontractors and other interested parties on all its sites.

- Security at Axens customer sites

Axens also takes into account the health, safety requirements and the safe working conditions of all its processes and its products, from conception to utilization, to eliminate / reduce harm to its staff or to that of its clients or subcontractors.

To achieve its objectives, Axens is committed to implementing the following actions:

- Meet the legal requirements in terms of Health and Safety (including the REACH regulation, the Responsible Care of the chemical industry), the Group Health and Safety standards and other requirements,
- Determine clear and relevant objectives and indicators to improve our Health and Safety performance and communicate their results,
- Define the roles and responsibilities of managers in terms of Security,
- Involve stakeholders, including employee representatives, to analyze the risks associated with our activity, our processes and products, near misses and accidents by identifying all causes whether technical, organizational and human,
- Promote the dissemination and sharing of feedback as a fundamental element of the Health and Safety process, take advantage of any opportunity and technical progress for the continuous improvement of prevention,
- Provide the necessary training to control risks and accidental situations for all employees according to their level of responsibility,
- Carry out regular audits to ensure the operational control of the OSH management system (Health and Safety at Work),
- Commit to providing help and assistance in sharing and adopting best practices to continuously improve Health and Safety performance,
- Choose subcontracting companies adhering to this commitment.

2.3.2 Security at Axens sites

For the continuous improvement of safety performance at its industrial sites, several indicators are monitored in the Company Dashboard, and the associated data are analyzed quarterly and can be consulted in the Industrial Dashboard.

The key indicator tracked is the lost-time and non-lost-time injury frequency rate, or TRIR, expressed as the number of accidents per 200,000 hours worked. The current goal is to improve 10% per year; 0.63 in 2020, 0.57 in 2021, and 0.51 in 2022. The TRIR stands at 0.99 in 2022 and the two major root causes of the deterioration are the recovery of the organization's reflexes after COVID-19, and the fact of having had very strong load variations on the plants because of the very sudden restart of activity. Axens also tracks the Severity Rate (total number of disability days x 1,000) / number of hours worked). The two indicators are calculated at Group level, taking into account the man-hours of Axens + temporary staff (category 1) + subcontractors (category 2):

	2018	2019	2020	2021	2022
TRIR Group	0,36	0,61	0,23	0,55	0.99
TG Group	0,022	0,047	0,018	0,048	0.140

2.3.3 Security at customer sites

Axens is continuing the "Secur'Ax" programme, whose mission is to strengthen the safety of Axens personnel working on its customers' sites (start-up and technical assistance missions). This project involves optimizing the preparation and implementation of the most risky activities by working closely with customers and subcontractors. This translates into a reinforced training plan (see paragraph 2.5.4), revised safety instructions, the organization of project feedback (REX), the analysis of accidents/incidents in order to implement actions so that accidents/incidents do not recur or a reorganization of the management of personal protective equipment (PPE).

2.3.4 Employee health

All Axens Group employees in France benefit from medical follow-up adapted to their position. Axens has undertaken to extend this scheme to all its subsidiaries, even if no mandatory regulatory provisions are applicable in the countries concerned.

Training on the management of sensitive situations has been deployed for managers in France, so that they have the necessary tools for better detection and appropriate management of the psychosocial risks of their teams.

Employees at Headquarters benefit from a reinforced occupational health service because it is dedicated and supplemented by a listening area and social assistance for the benefit of all those who express the need.

2.4 Environmental impacts

2.4.1 Axens Group Environmental Charter

The key elements of Axens' environmental charter "*«Meeting environmental challenges together»*" are set out below.

Axens' environmental objectives are based on two axes:

- Internal environmental performance

Our Internal environmental performance is measured, analyzed, and improved through indicators common to all the sites, and used to follow the following objectives:

- Optimization of the consumption of natural resources (raw materials, energy, water)
- Limitation of environmental impacts (atmospheric emissions, liquid effluents and waste).

- External environmental performance

Approximately 35% of Axens turnover is generated by processes, products and services that help to limit the environmental impact once they are implemented by our customers. Thus, Axens is committed to providing and developing eco-efficient processes, products and services meeting the expectations of its clients.

To attain its objectives, Axens has agreed to implement the following actions:

- To fully implement the requirements of the current environmental legislation (including the REACH regulation), and our Corporate environmental standards and the requirements of interested parties,
- Determine clear and relevant objectives and indicators to improve our environmental performance and communicate the results,
- Define an environmental action plan based on our internal and external relevant stakes to concretize the areas of improvement identified on Axens' sites, and based on a life cycle perspective,
- Provide the necessary awareness training related to environmental accident risk to all employees according to their level of responsibility,
- Conduct periodic audits to ensure operational knowledge of the environmental management system,
- Commit to providing support and assistance through the sharing and adoption of best practices, in order to improve environmental performance,
- Integrate the concept of Sustainable Development into Axens' purchasing process,
- Implement our technology and engineering capabilities to reduce the impact of our customers' facilities and to control and reduce waste from conception to support services for the operation of units and products,
- Set up a governance system to drive CSR (Corporate Social Responsibility) reporting and to initiate and follow the development of new low-carbon footprint offer dedicated to the preservation of the environment.

2.4.2 Internal environmental performance: Axens sites, performance and integration to their environment

To define the scope of environmental reporting, it should be noted that the impact of tertiary sites is low compared to that of production sites; indeed, the chemical and industrial nature of Axens' production activities makes it possible to identify its catalyst and adsorbent production sites as Axens' main direct impact on the environment.

Axens SA carried out two Carbon Assessments (in 2009 on the 2008 data and in 2012 on the 2011 data) which showed that the Salindres industrial site was the source of more than 90% of greenhouse gas emissions on the Axens SA perimeter. The Axens carbon footprint calculations that were carried out more recently, in 2022, have confirmed this at Group level (Global scope). Indeed, GHG emissions associated with catalyst and adsorbent production sites represent more than 95% of scope 1 and scope 2 emissions. This is true for all years evaluated, i.e. 2018 to 2021. The consolidated contribution of all the Group's tertiary sites is less than 3% of the GHG emissions of scopes 1 and 2.

The majority of the indicators presented in this section come from the HSE section of the industrial dashboard, which concerns all Axens production sites of the Industrial Operations Business Division (BD IOP) (manufacture of catalysts and adsorbents). The definition of indicators for this reporting was carried out in 2012-2013 and the first dashboard was published in the 1st quarter of 2014 with all the data for the year 2013. This table is updated quarterly since.

Milestones

In 2019, there was a change of dogma at the level of the Ministry of Ecological Transition. Any deviation from a regulatory text (decree, ministerial order, prefectural order) now translates into a formal notice. In 2021, the Salindres plant received a formal notice following an inspection by the DREAL in November 2020. Work was carried out in 2021-2022 to lift the first requirements of this formal notice, and additional work is underway until March 2023 to lift the remaining requirements.

Since the acquisition of Heurtey Petrochem in 2017, environmental reporting also includes in its scope the industrial sites of the Project Operations Business Division (BD POP) (manufacture of furnaces and modules) but the reporting is done separately because the environmental issues are not of the same order of magnitude.

At the beginning of 2021, Axens launched a project to develop its Climate Strategy, a project that continued throughout 2022. This project aims to establish the Group's ambitions in terms of climate change mitigation. The Climate Strategy that has been defined is based on two pillars (here named A and B) which constitute complementary commitments:

- Pillar A: reducing the Group's carbon footprint; i.e. reduce GHG emissions directly or indirectly related to Axens' activities (activities included in scopes 1, 2 and 3 as defined by the GHG Protocol Corporate Standard)
- Pillar B: helping customers achieve their climate goals; and therefore reduce their carbon footprint thanks to Axens solutions. This implies that the Axens Group broadens its scope of action and commits to decarbonizing its ecosystem beyond the scope of its own carbon footprint. This commitment is based on the calculation and reporting of greenhouse gas emissions avoided because of the deployment and implementation of Axens technologies and solutions.

The commitments on pillar A (Axens carbon footprint) focus on the reduction of GHG emissions in absolute terms; on scopes 1 and 2 on the one hand and on scope 3 on the other hand. The objectives set for 2030 are aligned with a fair contribution to the collective and global carbon neutrality targeted for 2050 (levels of the 2030 targets defined according to the absolute contraction approach of the Science Based Target Initiative (SBTi); with alignment on a trajectory of 1.5 °C for the scope 1+2 target and "well-below 2°C" for the target on scope 3 emissions). The choice was made to follow an approach related to the SBTi even if today Axens cannot engage in this undertaking because of an unfulfilled SBTi eligibility criterion (share of turnover related to the oil and gas industry).

When it comes to internal environmental performance, the relevant perimeter is scopes 1 and 2 of the Axens carbon footprint.

It is already been acted that the objective for 2030 will be to reduce by 50% the absolute value of scopes 1 and 2; i.e. direct GHG emissions from Axens sites as well as indirect emissions related to energy consumption from these sites (industrial and tertiary). This objective is expressed in relation to the reference year 2019; year for which the emissions of scopes 1 and 2 were estimated at approximately 80.7 thousand tons of CO2 equivalent for the Group as a whole.

The full results of the Axens Group's carbon footprint as well as all climate targets will be unveiled in 2023, the year that will mark the beginning of the implementation of Axens' Climate Strategy. Regarding external environmental performance (scope three of pillar A and pillar B), details are given in the paragraph "External environmental performance" of this document.

2.4.2.1 Optimization of natural resource consumption

The results of the CSR risk mapping conducted in 2018 (see paragraph 2.2.1) have shown that the consumption of natural resources is a priority issue for the company. This theme is divided into three aspects: raw materials, energy and water.

- Reducing the consumption of raw materials and reducing waste

Within BD IOP's production sites, reducing the consumption of raw materials is a strong economic and environmental challenge. As such, since 2013, at its main production site in Salindres, Axens has set up a monitoring on the forming workshops.

When the products from these workshops do not meet the specifications, they can be:

- Recycled to be recovered and thus optimize our consumption of raw materials.
- Considered as waste and in which case they enter the overall waste treatment system

To monitor the reduction in its consumption of raw materials, Axens has set up an indicator on production yield. This indicator was modified in 2019 to make it more reliable and more representative of Axens' industrial activities. The scope of this new indicator (base 100 in 2019) now concerns the Salindres site. The objective is to extend the scope of this indicator to other sites of the BD IOP in the future. The index slightly deteriorated in 2020 to 101.8, and in 2021, it deteriorated again slightly to 102.1. The indicator improved to 95.1 in 2022 as an action plan was put in place from 2021 as part of the GUAPA project. This project implements the recycling of alumina to the production of adsorbents on platform A with an impact of 2,000 t of recycled products on a total production of 14,000 t (desiccation workshop and SCM) since the beginning of the project in 2021.

	Improvement trend	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Raw material consumption index	The index must fall	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	100	101,8	102,1	95,1

Axens also tracks an index measuring the amount of waste per ton produced aggregating data from the main production sites (four sites are concerned: Salindres, Brockville, Willow Island, Dammam). To have an overview, a base 100 index was built with data from the year 2016. In 2020, the index deteriorated to 169 with waste production up 9% compared to 2019 and a production scope down 20% (impact of treatment postponements from 2019 to 2020). The index has improved since 2021 to 98.8 in 2022.

For the industrial perimeter of BD POP (manufacture of furnaces and modular units), the environmental impact related to the consumption of raw materials and the generation of waste concerns steel in the vast majority. A base-100 index in 2016 was constructed to measure the ratio of steel consumed to steel waste. In 2022, the index is at 393.8; the reason for the degradation in 2022 is the larger amount of steel waste due to the closure of the workshop in Romania, the deposits have been emptied and a lot of materials, "metal scraps", structures, etc. were eliminated. It should be noted that 100% of the scraps/chips are recycled.

	2016	2017	2018	2019	2020	2021	2022
(1) : Steel consumption in BD POP plants (Romania and India) (in tons)	5226	5545	3084	3321	1749	2293	1562
(2) Steel waste (recycled) in BD POP plants (Romania and India)(in tons)	424	606	327	489	245	214,7	499
Ratio (2) / (1) for BD POP plants (Romania and India)	8,1 %	10,9 %	10,6 %	14,7 %	14,0 %	9,4 %	31,9 %
Index base 100 2016 Ratio (2) / (1)in BD POP plants (Romania and India)	100	134,7	130,7	181,5	172,7	116,0	393,8

- Salindres Site

The Salindres plant, located in the Gard, is the largest of the Axens group's catalyst and adsorbent production plants and is classified as ICPE and Seveso. The plant's activities range from the production and quality control of catalysts and adsorbents to the development of new products and production technologies. Axens' facilities are located on approximately 18 ha within the Salindres chemical platform and employ approximately 400 people.

- Improving energy efficiency

To improve the energy efficiency of its BD IOP industrial sites, Axens follows an index that measures energy consumption (steam, electricity and natural gas) per ton produced. To have an overview, a base 100 index was built with data from the year 2014. In 2022, the index improves from 2021 (103.8) and 2020 to 103.8 against (108.2) to 97.5.

It should be borne in mind that the definition of this index is very dependent on the product mix. In addition, on the main site of Salindres, certified ISO 50001 in 2022, a more precise and independent indicator of the product mix has been set up for better control. This operational indicator, which monitors energy efficiency and water consumption, is included in the calculation of Axens SA's profit sharing for the period 2022-2024.

In 2022, the total energy consumption of IOP's industrial sites amounts to 397,653 MWh.

For the industrial perimeter of BD POP, the environmental impact related to energy consumption on industrial sites is much lower than for Axens industrial sites because energy consumption is overwhelmingly electricity consumption.

In 2022, electricity consumption was approximately 1,102 MWh, a decrease of 10% compared to 2021.

1,102 MWh represents approximately 0.3% of the energy consumption of Axens' industrial sites.

- Reducing water consumption

Ensuring that the consumption of natural resources is reduced obviously means limiting water consumption. The objective of the Energy, GHG and Water policy of the Salindres plant is a maximum annual withdrawal of 210,000 m³ of water from the natural environment (224,334 m³ in reference year 2019). In the same spirit as for energy consumption, Axens follows an index that measures water consumption per ton produced. To have an overview, a base 100 index was built with the data of the year 2014 with an additional site that was integrated from 2016. After a clear improvement between 2018 and 2019, the 2020 index is stable at 62.3 against 62.1 in 2019. The clear progress since 2018 is linked to the start-up of a new production unit in Salindres allowing an almost complete recycling of "process" water.

At constant perimeter, water consumption is 223,974 m³, and the index has decreased from 62.7 in 2021 to 61.7, which shows progress. In 2022, the Willow Island site was integrated into the scope of water consumption reporting, bringing total water consumption to the BD IOP perimeter at 273,279 m³.

For BD POP industrial perimeter, the environmental impact related to water consumption on industrial sites is less than for BD IOP industrial sites. In 2022, this consumption was approximately 7,299 m³, a decrease of nearly 51% compared to 2020. The sharp drop in water consumption is due to the closure of the site in Romania.

7,299 m³ represents about 4% of the water consumption of all Axens' industrial sites.

Summary of indices related to the optimization of the consumption of natural resources for the historical perimeter of the Axens industrial sites of the BD IOP.

	Improvement trend	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Waste generation index	The index must decrease	Not available.	Not available.	Not available.	100	162,2	132,5	121,5	168,6	118,3	98,8
Energy Efficiency Index	The index must decrease	Not available.	100	95,6	98,6	108,0	97,4	97,7	108,2	103,8	97,5
Water consumption index	The index must decrease	Not available.	100	81,5	74,2	74,8	68,8	62,1	62,3	62,7	61,7*

*73.9 including Willow Island site

2.4.2.2 Limiting the environmental impacts of sites

- Reducing sites' atmospheric emissions

In 2022, the GHG emissions associated with the operation of the industrial sites were reassessed in line with the scope 1 and scope 2 emission calculation methods established by the GHG Protocol Corporate Standard. These assessments were made for the years 2018 to 2021 and present slightly different results from those presented in the reports of previous years, even if the variations between two consecutive years are the same. Total scope 1 and scope 2 emissions for the Axens sites was around 80.7 thousand tons of CO₂ equivalent in 2019, then decreased in 2020 and 2021 to around 76.0 and 72.8 thousand tons of CO₂ equivalent respectively (a decrease of around 6% and 9.4% compared to 2019).

For the year 2022, the total scope 1 and 2 emissions for Axens' industrial sites is 72.4 thousand tons of CO₂ equivalent.

GHG emissions associated with catalyst and adsorbent production sites represent more than 95% of total scope 1 and scope 2 emissions. This is true over all years evaluated. The consolidated contribution of all the Group's tertiary sites is less than 3% of the GHG emissions of scopes 1 and 2.

As part of Salindres' Environment Plan I (n°1), which covered the period 2004-2011, one of the main objectives was to reduce NO_x emissions and reduce dust emissions through renovation and the installation of filters. Thanks to this intensive investment program, Axens has observed significant improvements in the quality of emissions into the atmosphere. For example, dust emissions have decreased by more than 75% in 2018 compared to 2004. De-NO_x solutions have been implemented on impregnation workshops and a forming workshop. These investments combined with the use of nitrogen-free solutions resulted in a 75% reduction in NO_x/NH₃ emissions in 2018 compared to 2004.

Finally, in September 2014, Axens commissioned air quality preservation equipment around the Salindres platform, which makes it possible to treat volatile organic compound (VOC) emissions from the regular operation of the plant even more efficiently. VOC treatment has reduced VOC emissions from the OD2 and ISABEL workshops by more than 98%. In 2017, dust filtration equipment was installed on the DESSICATION unit of Platform A at the same Salindres site.

- Control of effluents and their impacts, particularly on biodiversity

Also as part of the Salindres Environmental Plan, Axens has a biological plant to treat part of its wastewater, with the objectives of drastically reducing COD (Chemical Oxygen Demand), nitric and ammoniacal nitrogen discharges and the amount of SPM (Suspended Particulate Matter). The Water Agency financed a part of the investment needed for the construction of STABILO. The station has been operational since 2011.

In 2015, Axens started a new treatment plant called PRESTO which makes it possible to achieve an unprecedented level of purification of water discharged into rivers and to recycle a large part of it internally. This plant completes and improves the biological water treatment system (STABILO). This high-performance equipment ensures the plant's compliance with the latest environmental regulatory requirements.

In 2019, a new effluent treatment capacity with precious metal recovery was started which brings a 20% reduction in the water consumption of the site and meets the new requirements on phosphorus content (ozonation)

A study was carried out in 2012 on the state of the environments around the Salindres site. The preliminary diagnosis of this study identified six protected areas within a radius of 10 km around the site of different types: Natural Areas of Ecological Interest Fauna and Flora, Natura 2000 Area and Important Bird Areas. The study concludes that the quality of groundwater and surface water, soil and air is not affected by the industrial activities of the site. Thus, the activities of the Salindres site do not disturb the uses of the different environments.

2.4.2.3 Sites and their stakeholders

- **Supplier Relations**

Suppliers are key partners. The significant share of purchases in Axens' turnover, the objectives of economic gains and risk management call for an efficient purchasing approach, including HSE and social responsibility aspects described in the Group's Purchasing Policy.

Specifically, the consideration of social, CSR and compliance aspects (sanctions, embargoes, fraud, etc.) is progressing steadily by relying on external partners (e-attestations, EcoVadis, ADIT, E&Y, etc.) and balanced relationships with suppliers. These elements are gradually integrated into the management and evaluation of the most concerned and/or important suppliers. Axens monitors an indicator on the percentage of the most concerned and/or important suppliers that are evaluated by the EcoVadis platform; in 2020 this indicator was at 24%, and had increased to 28% in 2021 to 31% in 2022.

Specific progress ongoing and to come can be noted:

- Formalization in 2022 of CSR principles and Axens' expectations vis-à-vis its suppliers in a code of conduct; Its deployment and the collection of formal buy-in from suppliers are planned for 2023
- Creation of a procedure for monitoring and processing supplier compliance (sanctions, embargoes, ethics, compliance with regulations, etc.); operational support by the Purchasing department as one of the criteria for evaluating suppliers in 2022
- Revision in 2022 of the risk assessment approach related to activities entrusted to suppliers to include CSR aspects; Its implementation and the organization of its actual use are planned for 2023

In addition, the integration of Axens' activities in its territories requires in particular relationships of trust between the company and its local and national suppliers. Overall, the evaluation process of the most critical suppliers is followed quarterly as part of the Purchasing Process.

- **The integration of sites in their territory**

Axens is committed to the environmental and societal integration of its sites in their territory. This integration goes first through local employment; the company is the third employer in the Alesian basin; but also through the participation of local communities in programs developed by Axens. In a participatory approach, the residents of the Salindres site are regularly asked to be actors in environmental monitoring, particularly on the themes of olfactory and auditory nuisances.

2.4.3 External environmental performance: the environmental impact of the use of Axens products

To meet environmental challenges (pollution, climate change) the main lever for action is based on the eco-efficiency of products (processes, catalysts and adsorbents, furnaces ...) and services sold and implemented by its customers.

Axens, on its historical perimeter, has been contributing for many years to the protection of the environment through the sale of catalysts and technologies for the production of clean fuels, which allow the reduction of emissions of pollutants of various kinds. In particular, Axens is recognized as the world leader in the production of ultra-low sulphur fuels. Over the last thirteen years (2010-2022), nearly 35% of turnover was generated by processes, products and services that limit the environmental impact (in particular the improvement of air quality enabled by the production of clean fuels with ultra-low sulphur content, the improvement of water quality and the reduction of greenhouse gas emissions).

In addition, Axens has undertaken actions to control GHG emissions beyond the scope of its activities, aware that the company can influence the emissions of certain stakeholders (customers, suppliers for example). This is materialized in particular by the energy optimization that is done as part of the dimensioning of the processes licensed by Axens; this approach ultimately generates a reduction in the environmental impact on the customer who will operate this technology. In fact, the stage where Axens intervenes (basic engineering) is the best time to make choices that will be decisive for the environmental impact of the unit. Wishing to continue in this direction and expand as much as possible the control of the environmental impacts related to its products (processes but also catalysts / adsorbents), Axens began in 2017 an environmental analysis of its activities based on a life cycle perspective. This initiative was part of the ISO 14001 version 2015 certification of Axens SA¹ and, beyond that, responds to a desire to better understand the environmental issues related to the Axens Group (including the activities of the international branches). At the end of this work, a mapping was established to analyze and then prioritize the contributions to the impacts of the different actors in the value chains (Axens, suppliers, service providers, customers and intermediaries, etc.). This mapping prepared within the framework of ISO 14001 version 2015 was an element used to establish the CSR risk mapping presented in paragraph 2.2.1 of this document. The results of this mapping make it possible to define an action plan by prioritizing realistic and effective measures, i.e. by targeting activities on which Axens can have an influence and actions for which the reductions in environmental impact (including GHG emissions) would be the most important. As an indication, a medium-sized refining unit would emit about 2 times more GHG emissions than all Axens industrial sites. By the end of 2022, Axens had licensed more than 3,000 units, the majority of which are in operation.

At the beginning of 2021, Axens launched a project to develop its Climate Strategy, a project that continued throughout 2022. This project aims to establish the Group's ambitions in terms of climate change mitigation.

The Climate Strategy that has been defined is based on two pillars (here named A and B) which constitute complementary commitments:

- Pillar A: reducing the Group's carbon footprint; i.e. reduce GHG emissions directly or indirectly related to Axens' activities (activities included in scopes 1, 2 and 3 as defined by the GHG Protocol Corporate Standard)
- Pillar B: helping customers achieve their climate goals; and therefore reduce their carbon footprint thanks to Axens solutions. This implies that the Axens Group broadens its scope of action and commits to decarbonizing its ecosystem beyond the scope of its own carbon footprint. This commitment is based on the calculation and reporting of greenhouse gas emissions avoided because of the deployment and implementation of Axens technologies and solutions.

The commitments on pillar A (Axens carbon footprint) relate to the reduction of GHG emissions in absolute terms; on scopes 1 and 2 on the one hand and on scope 3 on the other. The objectives set for 2030 are aligned with a fair contribution to the collective and global carbon neutrality targeted for 2050 (levels of the 2030 targets defined according to the absolute contraction approach of the Science Based Target Initiative (SBTi); with alignment on a

¹ ISO 14001 requires that, for the purposes of environmental analysis, "serious reflection" on all stages of the life cycle that can be controlled or influenced by the organization be conducted; without, however, requiring a detailed life-cycle assessment.

trajectory of 1.5 °C for the scope 1+2 target and "well-below 2°C" for the target on scope 3 emissions). The choice was made to follow an approach related to the SBTi even if today Axens cannot engage in this undertaking because of an unfulfilled SBTi eligibility criterion (share of turnover related to the oil and gas industry).

Regarding internal environmental performance (scopes 1 and 2), the commitments are given in the paragraph "Internal Environmental Performance" of this document.

In terms of external environmental performance, attention should be paid to scope 3 of the Axens carbon footprint as well as pillar B.

- Pillar A - Scope 3 (indirect emissions related to upstream and downstream activities of Axens sites)

Full carbon footprint calculations are being finalized in 2022, for the years 2018 to 2021, taking into account all of the Group's activities, in France and internationally, and complying with the GHG Protocol Corporate Standard. Regarding scope 3, the scope is exhaustive and includes all the relevant categories in the case of Axens (12 categories out of the 15 categories that make up scope 3).

The first results obtained indicate that the GHG emissions of scope 3 are much higher than the emissions of scopes 1 and 2. This is a widely shared observation when analyzing the carbon footprints of companies in the chemical, oil & gas or automotive sectors.

In Axens' case, the predominant scope 3 categories are categories 1 and 11 as described in the GHG Protocol Corporate Standard; categories relating to the purchase of goods and services and the use of the products sold respectively. Regarding category 11, calculations are in progress at the end of 2022.

- Pillar B

Pillar B of the Axens Climate Strategy is to help clients achieve their climate goals; and thus reduce their carbon footprint. This implies that the Axens Group broadens its scope of action and commits to decarbonizing its ecosystem beyond the scope of its own carbon footprint.

In Axens' technology portfolio, there are many solutions whose benefits in terms of GHG emissions mainly take effect in scope 3 of customers' carbon footprint. These emission reductions are outside the scope of Axens' carbon footprint. This is particularly the case for renewable biomass conversion technologies, recycling technologies (especially plastics) and CO₂ capture. From 2023, avoided GHG emissions related to the deployment of Axens technologies will be assessed and reported on an annual basis for all projects concerned. The calculated emission reductions reflect the cumulative contributions of Axens and other stakeholders in the value chains considered; as these assessments integrate all stages of the life cycle.

In addition, another indicator is calculated annually to monitor the continuous improvement of the energy efficiency of Axens' process portfolio. The indicator tracks the number of energy efficiency improvements that are proposed each year with the consideration of multiplicative factors according to the impact of the improvement and the strategic interest of the process. The minimum target value to be achieved each year is 27 and in 2022 the indicator has reached the value of 27.5, identical to 2021.

When it comes to catalysts and adsorbents, Axens offers innovative solutions for the management of catalysts and adsorbents throughout their life cycle. Thus, some catalysts, via regeneration steps in particular, can be reused for the same application or for different applications; all this allows a lower environmental impact by limiting the consumption of natural resources.

Regarding the R&D and Innovation component, it should be noted that 50% of IFPEN's budget is devoted to new energy technologies.

As part of its design, manufacture and installation of industrial units, BD POP complies with the requirements of its customers as well as the environmental standards imposed by local regulations, and seeks to promote the development and dissemination of environmentally friendly technologies. Through the continuous improvement of the performance of its equipment, which has the consequence of minimizing its atmospheric emissions, Axens actively contributes to reducing the environmental impact of its customers, the oil and gas companies. Indeed, operating in a sector where environmental issues are fundamental, Axens constantly seeks to offer ever more eco-

efficient technologies that reconcile environment and competitiveness. In 2022, there were no major accidents or incidents related to the use of Axens products at its customers.

2.5 Teams, Axens' first asset

2.5.1 General: Staff / Recruitment / Organization of working time

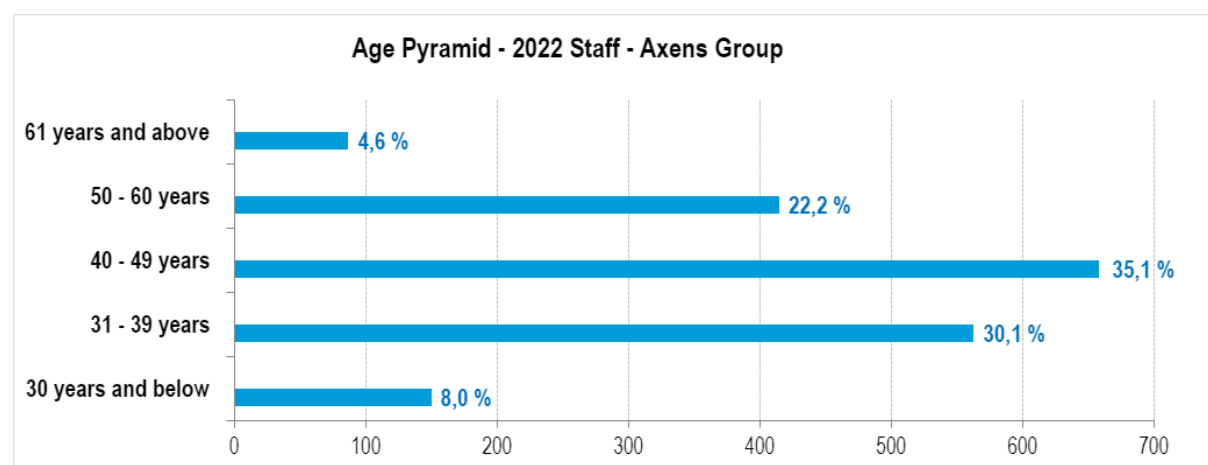
Committed teams are Axens' first factor of performance, providing excellence. The Human Resources policy focuses on the sustainable development of the skills necessary to carry out its current and future activities and adapt to social, environmental and economic issues. Growing and Growing Together are the backbone of the actions undertaken.

In 2022, the Axens Group's year-end workforce was 1,954 employees, distributed geographically as follows:

Location	Total workforce 2022	Share of total Axens Group workforce 2022	Total workforce 2021	Share of total Axens Group workforce 2021
Europe / CIS / Middle East	1 443	74 %	1 520	75 %
Americas	311	16 %	298	15%
Asia / Oceania	200	10 %	204	10%
TOTAL AXENS GROUP	1 954	100 %	2022	100%

In 2022, women accounted for 28.8% of the overall workforce compared to 29% in 2021.

As of December 31, 2022, the Axens Group's workforce was divided into age as follows:



In 2022, for the Axens Group, the following main staff movements were observed:

	Axens Group 2022	Axens Group 2021
Number of hires	175	96
Number of voluntary departures (resignations)	135	84
Number of redundancies	14	33
Turnover (voluntary departures basis)	6,9 %	4,1 %

In order to respect the professional and personal aspirations of its teams, and to be aligned with the practices of its labor market, in France and abroad, staff benefits from flexible hours in the organization of their working time. In addition, Axens is committed to facilitating the implementation of part-time work, to take sabbatical leave, including beyond the legal duration but also the 9-80 in the United States. Our teleworking policy, which is always based on the trust and responsibility of stakeholders, is now stable. Finally, Axens ensures pay equity between full-time and part-time employees.

As a member of the IFPEN Group, Axens adheres to the IFPEN Group's Mobility Charter. Internal mobility within the Group and within the IFPEN Group is facilitated by the publication of most vacancies on a dedicated intranet. Since 2019, Axens monitors a new indicator on absenteeism. For Axens SA it stood at 2.55% in 2019, 3.32% in 2020, 2.69% in 2021 and 4.63% in 2022. The rate takes into account absences related to illness, maternity and paternity leave. The geographical scope of this indicator is intended to be expanded in future years.

2.5.2 Equality

Cultivating equity is a fundamental commitment of Axens' Human Resources ambition, and in particular professional equality between men and women, contributing to the sustainability of the company's economic and social performance. Axens anchored this commitment in its policy through the agreement on Professional Equality between Men and Women adopted in 2011, and has been constantly renewed ever since. This agreement lays down the principles of gender equality mainly in terms of mobility and professional development, pay and work-life balance.

This fairness is also reflected in terms of long-term remuneration policy. At Axens SA, the pay gap has remained virtually unchanged or even narrowing. Thus, the ratio between the top 10% of salaries and the bottom 10% of salaries has never been above the level of 2017 as shown by the index in base 100 (2017) presented in the following table. Since the introduction of this indicator, it has even been quite clearly trending downward. The calculation is made on the basic salary + seniority bonus of OETAM gross - and excluding profit sharing & participation, all calculated in full-time equivalent FTE.

	2017	2018	2019	2020	2021	2022
Index base 100 Ratio between the 10% best paid and the 10% least paid (Axens SA)	100	95,9	92,5	91,6	90,0	89,0

Since 2018, Axens SA has been required to calculate an index relating to gender equality at the limits of the French entity. This index, whose theoretical maximum is 100, stood at 82 in 2018. In 2019, it is making clear progress to stand at 92 to stabilize at the value of 91 in 2020. The indicator was non-calculable for 2021 because two of the indicators could not be calculated. In 2022, the indicator remains at 91.

The proportion of female managers at Axens SA increased from 16% in 2008 to 27% in 2015, 33% in 2021 and 30% in 2022. The regular hiring of women executives in operational professions (Business Divisions) mainly drove this increase. This commitment to equity is therefore also reflected in the recruitment policy for women, who remain a minority in industrial sectors.

The share of women managers in the Group's workforce in France is 31.2% in 2022 (compared to 23% in 2009, and women represent on average 27% of students graduating from engineering schools in France (Source: [L'Observatoire des femmes ingénieures 2018 – 2019](https://www.femmes-ingenieurs.org/offres/doc_inline_src/82/Observatoire+2020+femmesIngenieursBD+28229.pdf) https://www.femmes-ingenieurs.org/offres/doc_inline_src/82/Observatoire+2020+femmesIngenieursBD+28229.pdf https://www.femmes-ingenieurs.org/offres/doc_inline_src/82/Observatoire+2020+femmesIngenieursBD+28229.pdf).

In mid-2017, the women's professional internal network TW'In (Together We are Inspired) was born within the new Group in Rueil, a space for exchange, reflection and inspiration to promote gender diversity at all levels of the company. Sponsored by members of the company's Executive Committee, it is based on the values of optimism, open-mindedness, sharing, benevolence and commitment and currently has more than 200 members. In addition,

Axens extends its action outside its walls, in association with Elles Bougent and meets high school girls to promote technical and scientific professions among young girls.

Axens has implemented several actions in favor of the work of people with disabilities, in particular by subcontracting certain activities to adapted companies and Establishments or Services d'Aide par le Travail (ESAT) and by using service providers on an ad hoc basis (printing, general services). In the event of the occurrence of a disability, Axens is concerned to ensure that employees remain in their jobs as long as possible and to invest in Disability Week in France. Finally, in 2016, Axens SA set up a system of donations of rest day (s) in order to promote cooperation within its teams and as a guarantee of social cohesion based on the values advocated by the company. Finally, 2022 saw the creation of a Disability Mission in France in order to acquire additional resources to more proactively address the recruitment and inclusion of teams with disabilities. On the other hand, an internal Entr'Aidants network has also been created, a space for exchange and support between employees in caregiving situations.

2.5.3 Guaranteeing and promoting social dialogue

Axens Group takes part in a social dialogue approach, which, beyond its regulatory framework, favors openness, constructive exchange and the sincerity of debates with trade unions, social and economic committees of the establishment, CSSCT, which form the fabric of employee representation within the company. The real richness of this dialogue lies in the common will of all parties to progress together for the benefit of the company and its employees. In this spirit, the company initiated in 2019 its first social dialogue seminar, bringing together members of the Management and social partners. By strengthening mutual trust, by going beyond postures and preconceptions, by developing a spirit of co-construction and co-initiative, we are convinced that this seminar allows us to work together even better and that it will strengthen cohesion between staff representatives.

Axens' subsidiaries, excluding Axens North America, which has its own employee representation ("*unions*") in accordance with US regulations, do not currently have a size justifying representative bodies, or even applicable regulations.

The company is convinced that the quality and richness of the social dialogue within it also depends on the energy that everyone will agree to devote to the social and collective themes that drive the life of the company. In this sense, it encourages its employees to be actors in this dialogue by taking the step of running in professional elections.

All employees of the Axens Group are covered by the applicable regulations of local labor law, for the specific case of France 100% of employees are covered by a collective agreement.

Axens undertakes at regular intervals, beyond its periodic meetings with employee representatives, a process of listening to the staff, at Group level, through a satisfaction survey called "Happymètre / Happymeter". This approach aims to have an objective measure of the perception of staff on their motivation, their commitment, and their attitude to change. It also assesses the climate and any gaps between the company's ambition and that of its employees. Participation in this survey was 86% in 2014, proof of the commitment of the Group's employees.

2.5.4 The development and valorization of employees' skills

Axens is committed to always aiming higher in order to meet the ambitions of its customers. In this perspective of excellence, Axens is committed to enabling each of its employees to have access to the training necessary for the exercise of their profession, the expansion of their field of expertise or the support of their professional development. Within the defined budget, Axens Group deploys its training programs throughout the career and regardless of the age and function of each person.

Training is one of the ways to acquire, update and strengthen knowledge and skills in line with the company's orientations and values.

In line with the Group's strategic objectives, the three priority areas of our training policy are:

- HSE

In line with our management policy, we will take the necessary actions to guarantee the health and safety of all as well as respect for the environment. One of our priorities is to work safely. This is both an individual and a collective

responsibility. As a result, our investment in safety at our industrial sites and at our customers will continue in line with each business. This axis also includes cybersecurity issues; with a dedicated training program for all employees.

- Professions

This axis encompasses all business training directly related to the functions occupied, in line with the requirements of our customers and the needs of our organization. The objective is to offer adapted training, whether devised by external organizations or by internal teams.

- Managerial Culture

We will continue and develop appropriate programs, collective or as part of the individual support of managers, in a perspective of managerial excellence. Our ambition is to continue to deploy gradually a common managerial culture and to create spaces to take a step aside.

Our values of Excellence, Responsibility, Inventiveness and Diversity are underlying all of our programs, which we will therefore continue to adapt and adjust to best reflect them.

Finally, after a launch and take-off in 2020 of Axens Academy is gradually enriched with content: it aims to provide employees with educational content that meets their skills development needs. To do this, Axens Academy's vision is to design and make available short, dynamic, diversified and freely accessible content. Ultimately, the ambition is to make Axens Academy one of the company's main levers for all aspects of employee skills development, in a spirit of autonomy and accountability consistent with our employer brand "You've got the power".

Since 2014, Axens has been deploying Axens Competencies & Talents Performance (PACT) approach that aims to establish a precise overview of the technical and non-technical skills available to the company in order to guide future recruitment and internal staffing, training programs but also individual and collective needs for the development of certain skills. The implementation of this program is based on the evaluation by employees of their skills, and that of their managers based on a "competency framework" for the company's core business, a reference established notwithstanding the company's organizational choices. PACT is therefore both a tool for anticipation and management, individual and collective. This approach is gradually extended to the various Axens entities around the world.

Since 2015, Axens has maintained its career management system through professional interviews, separate from the annual interview. Of different periodicity, these interviews, deployed in all Axens entities around the world are complementary: the annual interview is part of a logic of performance and activity management in the short term, while the professional interview is part of a logic of projection and construction of the future. This device makes it possible to meet in part the expectations expressed in the first Happiness meter on the theme of building everyone's future. In addition, in parallel with the annual interview system was deployed on a common tool in almost all entities abroad.

In 2022, 90% of the Axens Group's total workforce received training, the same rate as in 2021. Each trainee completed an average of 23.5 hours of training compared to 22 hours in 2021.

It should also be noted that Axens employees are involved in programs taught at IFP School to the tune of more than 100 hours per year. In addition, the teams that participated in the ASAP program, and to a lesser extent the employees who were informed of the main advances of this program, were made aware of environmental issues. The environmental challenge is global due to population growth, climate change, the scarcity of fossil and mineral resources and the preservation of the environment (waste management, water resources, etc.). The consideration of these issues allows us to detect opportunities for new offers that can have a very significant beneficial effect on the preservation of the environment.

It is also in this context that the internal professional network PlaNet' was launched in 2020. Sponsored by members of the company's Executive Committee, this network relies on employees who wish to invest in actions related to environmental issues. The network currently has more than 350 members. The PlaNet' network offers educational conferences to Axens employees and participates in environmental actions on the Hanami site (Axens headquarters).

2.6 Governance and transparency

2.6.1 Anti-corruption

In 2017, Axens created a centralized Head Office Compliance Department, reporting to EVP General Counsel. A comprehensive corruption prevention program in accordance with the French Sapin II law is established and applicable to all Axens operations worldwide. This includes governance guidelines, including internal reporting, risk mapping, procedures, and a risk-based third party KYC/KYS/KYP (trading partners) assessment. This Compliance Check process has been digitized with an online questionnaire to be completed by the sales representative first, then by the customer. This makes it possible to systematize them as soon as a business opportunity arises and archive them in a database afterwards.

A global integrity code (code of conduct) is published and revised periodically and is readily available in English, French, Russian and Chinese depending on the region, for internal employees, business partners as well as externally via the Axens website. Similarly, an Ethics Hotline (whistleblower) is deployed in accordance with the Sapin II and EU directives, and is available internally and externally via the same page of the site. In addition, more specific online training modules, including on how to receive an alert, have been deployed to supervisors at all levels. In 2022, no alerts received in the secure system resulted in prosecutions or sanctions internally or externally from the company.

An improved gift and entertainment policy as well as more extensive program-wide Level 1, 2 and 3 controls are being introduced throughout 2022 to better monitor the effectiveness of established programs.

Axens' anti-corruption program includes a comprehensive training program. The first trainings followed the recommendations of Sapin II targeting employees deemed most exposed to the risk of corruption, i.e. commercial and financial groups. These trainings focused on the general aspects of corruption as well as the procedures put in place to mitigate these risks and were carried out internally and face-to-face, with nearly 100% of employees identified. These were complemented by Global online training on the Integrity Code with a personal introduction by the CEO, the content expanded to more detailed corruption issues, speaking out and other ethical issues and was rolled out group-wide to all employees. In 2022, 96% of new employees worldwide completed this program in. In addition, more specific online training modules, including how to receive an alert, have been deployed to supervisors at all levels.

2.6.2 Tax governance, control and risk management

Present in 14 countries on four continents, Axens markets its technologies, products and equipment to a variety of business partners, on projects to be carried out all over the world, with different legislation from one country to another.

Axens operates in a constantly changing international context, which exposes it to complex tax regulations whose articulation and interpretation are sometimes likely to generate risks. Tax risks are an integral part of the risk management process within the group, through a global risk mapping that includes a statement of risks and tax disputes, as well as the main changes to be anticipated (tax monitoring).

Axens ensures compliance in all countries where the Group operates with the tax rules applicable to its activity in accordance with international conventions and national laws. In accordance with its Integrity Code, Axens is committed to conducting its activities in a responsible, ethical and legal manner. Axens expects its suppliers and partners to conduct their operations according to the same principles and in full transparency.

The Group's legal and tax teams advise and assist the operational teams on a daily basis to ensure tax compliance. Axens strives to build a lasting, transparent and professional relationship of trust with the tax authorities of the various countries in which we operate. Axens does not encourage or promote tax evasion either for itself or for its subsidiaries.

The Group's effective tax rate has been between 21% and 23% over the last 3 years and stands at 21% in 2022.

Intra-group transactions respect the arm's length principle and follow the OECD (Organization for Economic Co-operation and Development) transfer pricing standards.

The country-by-country report (CbCR) is filed with the French tax authorities for the entire Group by its ultimate parent company, IFP Energies Nouvelles.

2.6.3 Information Security

The privacy of individuals, such as information exchanged through activities with third parties, is important to Axens, and we continually adapt our processes to comply with the regulations and requirements of these third parties.

In 2020, Axens commissioned an independent third-party assessment of cyber security risks, including information security. A multi-year cybersecurity program, EYES, was then launched to control these risks, with a focus on improvement actions in the areas of data management and protection, crisis management, awareness and training. Since 2021, we have made clear improvements where they were relevant and critical, increasing security levels, focusing on awareness, systems and controls.

In 2022, there are five training campaigns with a successful overall participation rate of 97%, including one dedicated to the organization's community of sensitive people called "TOP 100" at 100%. Cyber briefs are regularly posted on the Group's websites, and phishing exercises are sent by email every month to raise awareness among Group staff of the various cyber threats.

Data processing is done in accordance with all applicable laws such as the GDPR and in accordance with the company's data privacy and IT security policies. Advanced technologies such as security information and event management (SIEM) systems combined with information security management (SOC) teams are used to control information-processing risks.

2.6.4 Crisis Management and Emergency Response System

The intensification of crises, such as the pandemic, the disruption of the supply chain, the war in Ukraine, cyber-attacks or the risks related to the nature of production sites expose Axens to a risk of crisis and need for emergency intervention, the consequences can be human, environmental, social, economic... In order to deal with them, the entire value chain of Axens Group is ready to manage these crises thanks to the existence of a crisis management policy on a global scale capable of activating 24/7 a plan organized around a dedicated crisis unit on the one hand, and local and global operational expertise that can be activated at any time on the other hand. This crisis management plan has already been tested during critical events, such as the evacuation of our staff from sensitive sites, and has shown its robustness and agility to significantly limit their impacts. It is also regularly tested through cyber exercises, for example, or during simulations of industrial incidents at our production plant in Salindres classified SEVESO. It also provides for training of our staff.

APPENDIX 1 – GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	2.1.1 - Description of the Axens Business Model
	2-2 Entities included in the organization's sustainability reporting	2.1.2 - Scope of Reporting
	2-3 Reporting period, frequency and contact point	2.1 Introduction
	2-4 Restatements of information	2.1.2 - Scope of Reporting
	2-5 External assurance	Rapport OTI (Independent Third Party Organization Report)
	2-6 Activities, value chain and other business relationships	2.1.1 - Description of the Axens Business Model
	2-7 Employees	2.5.1 - General: Staff / Recruitment / Organization of working time
	2-9 Governance structure and composition	2.1.3 CSR Governance
	2-15 Conflicts of interest	2.6.1 Anti-corruption
	2-19 Remuneration policies	2.5.2 - Equality
	2-21 Annual total compensation ratio	2.5.2 - Equality
	2-22 Statement on sustainable development strategy	2.1.3 CSR Governance
	2-23 Policy commitments	2 - Social, environmental and societal information 2.4.1 - Axens Group's Environmental Charter
	2-24 Embedding policy commitments	2 - Social, environmental and societal information 2.4.1 - Axens Group's Environmental Charter
	2-25 Processes to remediate negative impacts	2.4.3 - External environmental performance: the environmental impact of the use of Axens products
	2-26 Mechanisms for seeking advice and raising concerns	2.5.3 - Guaranteeing and promoting social dialogue 2.5.2 - Equality 2.5.4 - The development and enhancement of employees' skills
	2-27 Compliance with laws and regulations	2 - Social, environmental and societal information 2.4.1 – Axens Environmental Charter
	2-28 Membership associations	2.5.2 - Equality
	2-29 Approach to stakeholder engagement	2.4.2.3 - Supplier relations
	2-30 Collective bargaining agreements	2.5.3 - Guaranteeing and promoting social dialogue
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2.2 - Materiality Analysis
	3-2 List of material topics	2.2.2 - Materiality Analysis
	3-3 Management of material topics	2.2.2 - Materiality Analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.4.2.3 – Sites and their stakeholders

	201-2 Financial implications and other risks and opportunities due to climate change	2.2.1 - CSR Risk Mapping 2.4.2.1 – Optimization of natural resource consumption 2.4.3 - External environmental performance: the environmental impact of the use of Axens products
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2.5.2 - Equality
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2.4.2.3 - The integration of sites in their territory
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.4.2.3 - Supplier relations
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.6.1 - Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	2.6.1 - Anti-corruption
GRI 207: Tax 2019	207-1 Approach to tax	2.6.2 - Tax governance, control and risk management
	207-2 Tax governance, control, and risk management	2.6.2 - Tax governance, control and risk management
	207-4 Country-by-country reporting	2.6.2 - Tax governance, control and risk management
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.4.2.1 - Improving energy efficiency
	302-3 Energy intensity	2.4.2.1 - Improving energy efficiency
	302-4 Reduction of energy consumption	2.4.2.1 - Improving energy efficiency
	302-5 Reductions in energy requirements of products and services	2.4.3 - External environmental performance: the environmental impact of the use of Axens products
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2.4.2.1 - Reducing water consumption
	303-2 Management of water discharge-related impacts	2.4.2.2 - Control of effluents and their impacts, particularly on biodiversity
	303-3 Water withdrawal	2.4.2.1 - Reducing water consumption
	303-4 Water discharge	2.4.2.2 - Control of effluents and their impacts, particularly on biodiversity
	303-5 Water consumption	2.4.2.1 - Reducing water consumption
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2.4.2.2 - Control of effluents and their impacts, particularly on biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	2.4.2.2 - Control of effluents and their impacts, particularly on biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2.4.2.2 - Reducing sites' atmospheric emissions
	305-2 Energy indirect (Scope 2) GHG emissions	2.4.2.2 - Reducing sites' atmospheric emissions

	305-4 GHG emissions intensity	2.4.2.2 - Reducing sites' atmospheric emissions
	305-5 Reduction of GHG emissions	2.4.2.2 - Reducing sites' atmospheric emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.4.2.2 - Reducing sites' atmospheric emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
	306-2 Management of significant waste-related impacts	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
	306-3 Waste generated	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
	306-4 Waste diverted from disposal	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
	306-5 Waste directed to disposal	2.4.2.1 - Reducing the consumption of raw materials and reducing waste
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.4.3.2 - Supplier relations
	308-2 Negative environmental impacts in the supply chain and actions taken	2.4.3 - External environmental performance: the environmental impact of the use of Axens products
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2.5.1 - General: Staff / Recruitment / Organization of working time
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.5.1 - General: Staff / Recruitment / Organization of working time
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2.3 - Health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	2.2 - CSR risk mapping and materiality analysis 2.3 - Health and safety 2.5 - Teams, Axens' first asset
	403-3 Occupational health services	2.3.4 - Employee health
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.3.1 - Axens Group Occupational Health and Safety Charter 2.5.3 - Guaranteeing and promoting social dialogue
	403-5 Worker training on occupational health and safety	2.3.1 - Axens Group Occupational Health and Safety Charter 2.3.3 - Security at customer sites 2.3.4 - Employee health 2.5.4 - The development and enhancement of employees' skills
	403-6 Promotion of worker health	2.3.1 - Axens Group Occupational Health and Safety Charter 2.3.4 - Employee health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.3.1 - Axens Group Occupational Health and Safety Charter 2.3.3 - Security at customer sites
	403-8 Workers covered by an occupational health and safety management system	2.3.1 - Axens Group Occupational Health and Safety Charter 2.3.4 - Employee health
	403-9 Work-related injuries	2.3.2 - Security at Axens sites
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2.5.4 - The development and enhancement of employees' skills

	404-2 Programs for upgrading employee skills and transition assistance programs	2.5.4 - The development and enhancement of employees' skills
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.5.1 - General: Staff / Recruitment / Organization of working time
	405-2 Ratio of basic salary and remuneration of women to men	2.5.2 - Equality
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.5.2 - Equality
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2.4.2.3 - The integration of sites in their territory 2.4.3 - External environmental performance: the environmental impact of the use of Axens products
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.4.2.3 - Supplier relations
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.4.3 - External environmental performance: the environmental impact of the use of Axens products
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.4.3 - External environmental performance: the environmental impact of the use of Axens products
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.4.3 - External environmental performance: the environmental impact of the use of Axens products

APPENDIX – Methodological Note

Paragraph 2.3 Health and safety

TRIR: Number of accidents at work, per 20,000 hours worked for Axens staff (category 1) and subcontractors presenting the same risk as Axens employees because they work on an industrial site with Axens teams (category 2).

Severity rate: Number of calendar days of absence for accidents at work, per 1000 hours worked. The day of the accident is not counted in the total days of absence.

For these two indicators, category 3 (subcontractors who do not present the same health and safety risks as Axens employees because they do not work on production sites) is excluded.

The accidents at work taken into account correspond to deaths, accidents at work with lost time, RWC (restricted work case; events giving rise to an adapted shift) and Medical Treatment Care (events giving rise to hospitalization or medical care). All accidents are counted even if they are subsequently reclassified as illness by Social Security.

The hours worked are actual hours from the time management software for Axens employees and communicated by partner companies for subcontractors.

Paragraph 2.4.2 Internal environmental performance

Optimization of natural resource consumption

Definitions:

Raw material consumption index: The raw material consumption index is obtained by dividing the total quantity of tons produced in 2022 by the tons of raw materials consumed.

Share of recycled steel waste index: The recycled steel waste share index is obtained by dividing the (recycled) steel waste in BD POP plants (Romania and India) into tons by the steel consumption in the BD POP plants.

Waste generation index: The types of waste taken into account are hazardous and non-hazardous.

Energy efficiency index: The types of energy considered are steam, electricity and natural gas. The conversion factors are as follows: Steam: 1 ton = 0.7 MWh. Natural gas: 1 Nm³ = 0.01203 MWh. Source: Natural Gas Conversion Guide. The energy consumption index is obtained by dividing the total energy consumption (MWh) / tons of catalysts and adsorbents produced in the year.

Water consumption index: The water consumption index is obtained by dividing the water consumption (m³) / tons of catalysts and adsorbents produced in the year.

GHG emissions: The sources of emission factors are: DEFRA 2021 - set for advanced users, IEA 2021 (2019 data) - including N₂O & CH₄, Canada National reporting 2019, and EPA 2019.

Perimeter:

For data relating to energy consumption, the Saint Louis site and the offices are excluded from the scope because consumption is considered non-significant at group level (less than 5%).

The data on water consumption and waste generation presented in this paragraph relate only to sites that are directly operated by Axens. In addition, the St Louis site, whose water consumption or waste production is considered non-significant overall (less than 5% of the Axens Group's total), is excluded from the scope of CSR reporting. Not included in the scope are sites not operated directly by Axens (Calvert City and Savannah) and sites whose water consumption is considered non-significant (e.g. offices, headquarters).

For GHG emissions, office emissions were excluded from the calculation because they are non-significant compared to emissions from production sites. The Saint Louis site is also excluded from the perimeter. Refrigerant leaks are not currently tracked and are not counted in Scope 1.

Source listing Axens as the "3rd largest employer in the Alesian basin" (2012 information)

<http://www.alescevennes.fr/resources/medias/journal.du.grand.ales/journal.grand.ales.-mai.2012.pdf>

Paragraph 2.4.3 External environmental performance

For the calculation of the % of the Group's turnover concerning offers that contribute to the preservation of the environment, the following scope was considered:

- Processes and products for the production of biofuels.
- Processes and products for the production of ultra-low sulphur fuels.
- Products for the removal of sulphur from refining tail gases and natural gas.
- Products (adsorbents) for the purification of natural gas and condensates.
- Products (adsorbents) for water treatment.
- Various processes, products and services involved in the preservation of the environment.

Paragraph 2.5 Teams, Axens' first asset

Total workforce: physical staff at the end of the year on permanent and fixed-term contracts (including apprentices and Tuck trainees) for the Group's perimeters. This data does not include persons whose employment contract is suspended (approximately 2% of the Group's workforce).

Number of employees in the age pyramid: permanent contracts are considered throughout the Group.

Male/female distribution of staff: permanent and fixed-term contracts are considered throughout the Group.

Some forms of entry and exit are not considered as hiring and leaving (examples: group transfer, contract suspension,...)

Rate of female managers: The definition of manager is an employee who has hierarchical responsibilities with N-1.

Hiring: Hires on fixed-term and permanent contracts.

Voluntary departures: Only departures following the resignation of employees on permanent contracts.

Turnover rate: the turnover rate corresponds to the number of voluntary departures in relation to the total workforce at 31.12.

Absenteeism rate: the absenteeism rate corresponds to the number of days of absences worked in relation to the number of theoretical days worked.

The reasons for absences taken into account in the calculation are as follows: illness, maternity leave and paternity leave. These absences are extracted into hours from the time management software and then converted to days by dividing by 8.

The theoretical days are calculated by multiplying the number of working days at the end of the month by the number of working days in the month.

Base 100 Index Ratio between the top 10% paid and the bottom 10%: The index is calculated by dividing the average monthly base salary of the top 10% with the average monthly base salary of the lowest 10%, with a base index of 100 in 2010.

Gender Equality Index: The Index, out of 100 points, is composed of five indicators:

- The gender pay gap,
- The difference in the distribution of individual pay increases,
- The difference in the distribution of promotions (only in companies with more than 250 employees),
- The number of employees with pay increase upon their return from maternity leave,
- Parity among the 10 highest salaries.

Share of the Axens Group's total workforce who benefited from training: The share of employees who received training is obtained by dividing the number of employees who received training with the group's total workforce in 2022.

Average number of training hours per employee: The average number of training hours per employee is obtained by dividing the total number of training hours by the number of employees who have had at least one training in 2022.

Paragraph 2.6 Governance and transparency

Share of employees trained in anti-corruption: Online training, the participation rate corresponds to the number of new hires trained in anti-corruption divided by the total number of new hires.