



INTEGRATED ANNUAL REPORT 2023



Bringing connections to life

lamifil.be



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PREFACE





ABOUT THIS REPORT

Name of the organization:

Lamifil NV

Location of headquarters:

The company's registered head office is located at Frederic Sheidlaan, 2620 Hemiksem, Belgium.

Purpose of this document:

This report provides information about Lamifil's approaches and initiatives that contribute to a sustainable future, reduce our environmental impact, and provide added value to our key stakeholders – including employees, customers, partners, and shareholders – and society at large. As such, the report demonstrates how environmental stewardship, social responsibility and corporate governance are integrated into our operations and supported by our strategy and investments.

Scope:

This report has been prepared on an individual basis for Lamifil NV, and includes sustainability data and key financial figures for 2023.

Publication date: June 18, 2024

Reporting period: January 1, 2023 to December 31, 2023.

External audit:

The 2023 sustainability data have not been submitted for external audit. The sustainability report has been prepared on a voluntary basis in line with the principles of the Corporate Sustainability Reporting Directive (CSRD). It is based on the most recent and accurate data considered relevant for the report.

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Complementary to this report are the Annual Report and the Annual Accounts for 2023. These can be freely consulted on the website of the National Bank of Belgium:
<https://consult.cbso.nbb.be/>

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Filip Goris
CEO

LAMIFIL'S INNOVATIVE PRODUCTS ARE PART OF THE SOLUTION TO FACILITATE ENERGY TRANSITION

2024 marks Lamifil's 95th anniversary. The fact that our company has been around for almost a century underscores its adaptability amidst fluctuating conditions. From facing a prolonged pandemic to dealing with the market impact of geopolitical tensions in recent years: Lamifil has not only addressed the challenges, but has acted firmly to capitalize on the opportunities presented.

How do you look back on 2023, and what were the biggest challenges and achievements for business in general?

Olaf Sterkenburg: "Manufacturing companies such as Lamifil experience numerous challenges in globalized and often uncertain markets. In this regard, 2023 has not been a particularly easy year. The effects of war, rising energy prices and inflation all had a significant impact."

Simultaneously, Lamifil managed to achieve an impressive recovery from the aftermath of the COVID-19 pandemic in 2023, and there is no doubt in my mind that the energy transition played a major role in this. Several key changes based on a solid plan, firm – and sometimes difficult – decisions in terms of processes, people, and product-market combinations, have been implemented within the company to make this possible."

Filip Goris: "The significant growth that we witnessed in 2023 was predominantly driven by the energy transition, but we were also careful to control increasing costs that arose as a result of high energy prices and salary inflation. We did this by placing a stronger focus on our key markets to maximize volumes and keep operating margins high, thus increasing our overall profitability. In 2023, we transitioned to a business-unit-based organization to further improve this focus."

How is Lamifil's Environmental, Social and Governance (ESG) strategy integrated with its business activities?

Filip Goris: "Our ESG strategy is inherent to our company's overall strategic direction. In 2023, we began a radical strategic ESG exercise with the strong backing of the Board. We refined our ESG strategy, took the first steps to align our sustainability reporting with CSRD regulations, and initiated a carbon footprint study. This fundamental process involved all our key stakeholders, including the Board, management, financial partners, customers, employees, neighbors and unions. Their valuable input resulted in a new strategy that prioritized themes and actions and established clear ESG goals."

Olaf Sterkenburg: "Our approach to everything we do is influenced by our ESG strategy. However, we are often faced with a balancing act between the interests of our key stakeholders – our people, our customers, society, and our shareholders – in spite of our acute awareness of our footprint."

Lamifil's ambition is to lead the way in the sustainable production of high-end cables and wires for critical applications



We have to say what we do and do what we say:
It is important to show that we act consistently, and
in this regard we have made a great deal of progress

In 2023, myriad operational measures were taken with the aim of positively influencing our impact. We cannot rest on our laurels yet, and acknowledge there is room for improvement. But we are on the right path, and we will stick to our plan.”

Can you illustrate how Lamifil’s business and ESG approach can create value for stakeholders?

Filip Goris: “We can align our strategy and actions with stakeholders’ concerns and priorities through their close involvement. It is no secret that the non-ferro industry has a high carbon footprint. The flip side of that is that our innovative products are part of the solution to facilitating the energy transition and effectively reducing CO₂ emissions in many aspects of our economy and society. And that is why we have made a clear choice to shift away from price-driven commodity products and toward innovation and technology, producing high-end products with significant added value rather than large volumes.

Our customers are also appreciative of this, as they are increasingly turning to partners who can demonstrate an honest and dedicated implementation of an ESG strategy. Lamifil’s ambition is to be the reference point in the sustainable production of high-end cables and wires for critical applications.”

Olaf Sterkenburg: “This implies, of course, that we not only invest heavily in technology and processes, but also in people. People and technology go hand-in-hand, and without people Lamifil is nothing. So, our ESG strategy shows the strong correlation between our human capital and our health and safety policies. We strive to create value for our people by investing in well-being and safety – both physical and mental – and leadership, creating a safe and inclusive environment for them to work and thrive in.”

What are the key ESG achievements and milestones from this past year?

Olaf Sterkenburg: “A major milestone in 2023 was Lamifil’s complete cessation of the manufacture and sale of cadmium-containing products. This was an important decision: even though there is still significant global demand

for such products, we have committed ourselves to stop using this heavy metal for good. Our meticulous planning around this issue means that we are already able to actively offer cadmium-free alternatives like Powerfil that our experts have developed over recent years.”

Filip Goris: “Over the past two years, we have taken significant measures to increase energy efficiency. For instance, our new aluminum melting and casting facilities use 27% less gas. All of our measures have allowed us to incrementally decrease our CO₂ emissions, achieving a reduction of over 20% in 2023, 15% of which is due to awareness programs. In 2023, we appointed an Energy Manager who, with the backing of a steering group, has been tasked with the goal of fundamentally embedding energy efficiency in our processes and business strategy. The same applies to noise emissions, where we have likewise taken significant steps to minimize our footprint, involving experts and our neighbors in the search for solutions. Another great example is our waste management policy, which also underwent a complete makeover in 2023.”



Olaf Sterkenburg
Executive Chairman of
the Board of Directors



Olaf Sterkenburg: “Moreover, in 2023, ‘SONAR’, a comprehensive health and well-being survey, was conducted among our employees, accurately highlighting key areas of focus that will guide our approach in the coming period. Furthermore, it is worth noting that our safety indicators for 2023 have shown a very positive evolution, owing both to long-term strategies that are now bearing fruit and the implementation of a number of new initiatives.”

Filip Goris: “It’s also worth noting that we’ve remained firmly committed to inclusiveness within our company, as has been evidenced by several notable initiatives that we have actively participated in throughout 2023, including Women4Metals and a project that bolsters support for STEM education called “Dasgeniaal”.”

What key challenges are you facing in your ESG approach?

Olaf Sterkenburg: “Incorporating environmental and societal concerns within a business strategy is both a responsibility and a necessity for achieving sustainable growth. In a reflection of this, we are actively taking on our role in the energy transition and driving business objectives through innovative, eco-friendly products.

The market drives sustainability, but the uneven playing field poses challenges. While companies like Lamifil strive toward sustainable progress, not everyone adheres to the same standards. A social contract for sustainable practices warrants global compliance, yet it is tough to implement. Establishing a level playing field is key, and governments worldwide can – and should – play a role in this.”

Filip Goris: “Alongside these external market challenges, there are obviously internal challenges that we also have to face: As a company, we are continuously endeavoring to match individual employees’ needs and ambitions with our common goals. We have made much progress in terms of safety, but we realize that we need to continue and even expand our efforts in this respect.”

What are the key ESG priorities and ambitions for the coming years?

Filip Goris: “It must be said once more that safety is our top priority, and therefore also our key focus. Providing a safe and healthy work environment is critical to attracting the best talent and instilling strong leadership.

Another priority is of course that of further reducing our immediate environmental impact. In this respect, we will place a greater emphasis on the impact of the supply chain, sourcing and producing locally wherever possible. In terms of governance, our focus in the near future is on strengthening our value chain through our ESG actions.”

Olaf Sterkenburg: “In the long run, we aspire to be more than merely ‘compliant’. We are not a commodity-based company, but rather we add value, and our actions must reflect this. We have to say what we do and do what we say: It is important to show that we act consistently, and in this regard we have made a great deal of progress. Our ambitions should be high, and I believe we have already shown that we are doing many things right; this includes a step-by-step approach to safety, energy efficiency, and investment in people and expertise. We need to continue to demonstrate that we are performing well, and highlight the fact that we are aware of areas in which we can improve.”



PART I
OUR COMPANY





ABOUT LAMIFIL

Lamifil forges over 95 years of technology, innovation and mastery into smart wires to bring connections to life. Today, Lamifil is one of the world's leading manufacturers of high-end cables, wires and wire-based products of copper, aluminum, and their alloys. We help supply energy to millions of people via high-tech overhead conductors. Our innovative copper and aluminum alloys are used to create superior semi-finished products for the steel, automotive, aviation, aerospace, 3D printing and consumer products industries.

Copper and aluminum alloys are cast, rolled and further processed at our production site, which has been situated in Hemiksem, Belgium, for almost a century. Our dedicated teams help our customers to excel and thrive in their respective industries by offering them a technological edge within today's competitive markets. Lamifil fulfills customers' needs with tailor-made alloys that enhance the performance, processability and durability of their applications.

WHY WE DO WHAT WE DO

We bring connections to life with smart wires forged by technology, innovation and mastery

This is our mission. It defines why we do what we do, each and every day. It also describes our aspiration for a better world, encapsulating why we exist and showing how we aim to make a difference together. As such, it has an impact across multiple levels:

We produce smart **wires that literally connect energy, people and cities as parts of a greater whole**. We create connections with our customers and business partners, and between colleagues. We develop possibilities for exchanging both physical and human energy and for people, businesses and things to come together.

Our **products are intelligent**. They are tailored to address both customer-specific and societal needs. We use alternative and innovative technologies, designs and alloys to create unique and more sustainable solutions. And we help our customers to make the development and roll-out of their products as effective as possible.

Our products are based on proven technology, materials and standards. Driven by **R&D** and tested by our own accredited lab, our engineers get the most out of technology through **innovation**. We have over 95 years of experience in the production and application of copper and aluminum alloy wires and cables.



THE VALUES THAT LEAD US

We need to leverage our strengths and our identity in order to become more sustainable. But our level of success depends on how we act. It is all about our professional and personal behavior and attitude toward each other, our customers, our jobs and our environment. Here at Lamifil, we follow a set of values that complement each other. They serve as a compass that leads us, determines our identity, and helps us to achieve our goals.



Passion

Passion is the fire that fuels our strive for quality and innovation. Enthusiasm, commitment, ownership and motivation jointly drive us to work better every day. Passion gives rise to new initiatives and makes us persevere and ingenious in building products to shape a better and more sustainable world.

An open mind

New ideas drive our business and personal growth. If we want to continue to be pioneers, we need to interact with the world around us. This means listening to others, learning from each other, and being responsive. Only with an open mind can we go beyond the status quo.

Teamwork

Everything we do, we do better together. Working as a team and seeking out partnerships enables us to connect our energy and create something that exceeds our capacity as individuals. When we think and act as a team, every challenge becomes a solution.

Respect

Showing respect for people and our environment is a fundamental value. In its broadest sense, it means doing what is right at all times, being honest and showing trust and loyalty to those with whom we work, as well as appreciation for each other's work, efforts, and opinions. Respect is also about being mindful of preserving and enhancing safety and well-being in our working environments, as well as those both up and down the value chain.



HOW WE SEE THE FUTURE

Leveraging our own identity, mission and values, we work hard to achieve our dream for the future. Our vision depicts a world to which we want to contribute by realizing our mission.

We believe in a world in which a spirit of perpetual innovation brings forth smart technology to create value, progress and well-being

- For companies, this entails increasing their performance and their ability to become more sustainable, agile, and efficient.
- For people and communities, this means connecting them and giving them the energy to help them realize their potential and ambitions.

We believe that companies such as ours need to continue to create sustainable added value for society, and this is embedded in our vision: The products, services and technology we offer need to **advance people and communities**, by providing them with energy in a sustainable way and by ensuring that they can easily connect with each other, collaborate more efficiently, and be mobile and free.

At the same time, it is our duty as an employer to **support our employees in realizing their own potential** by providing them with jobs that offer satisfaction and the ability to grow and learn.

Finally, even if the world is our playground, we need to fulfill our role as a **local corporate citizen**. We do so by investing in our site and minimizing the impact of our activities on the neighborhood in which we operate, by attracting and nurturing local talent, and by cultivating and enhancing our relationship with the local community.

OUR PURPOSE: BRINGING CONNECTION TO LIFE

Our purpose summarizes our *raison d'être*. For Lamifil, this purpose is: Bringing connections to life. And we achieve this by producing premium and innovative copper and aluminum alloy wires and cables for critical applications. Technology, innovation and mastery come together in these products to make connections between people, communities and parts of a whole, both figuratively and literally.

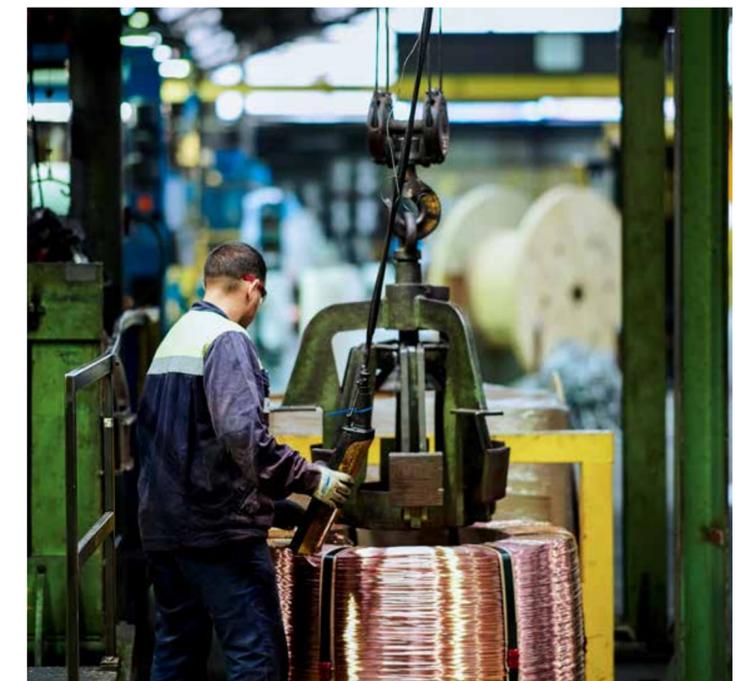
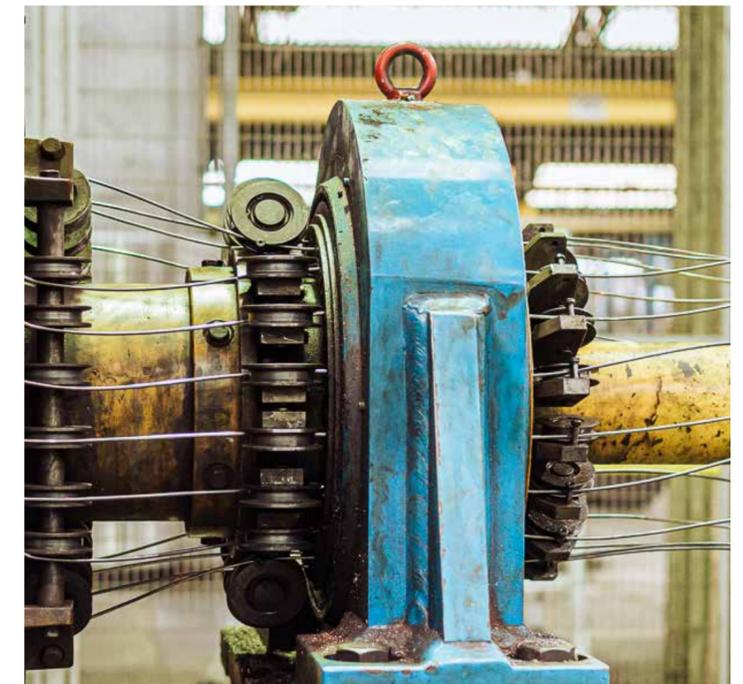




OUR ORGANIZATION

Our primary business is the manufacture of wire and cable products from established high-end copper and aluminum alloys. But this is not the only thing we do at Lamifil. We also develop new proprietary products and alloys, either in collaboration with customers, universities or sector organizations, or driven by our own R&D team. We test their performance in our own laboratories, and jointly perform on-site evaluations with our customers, assessing results and potential benefits. We sell and deliver products to our customers, advising them on effective installation and deployment, as well as consulting on whether a next-generation product may be more suitable. Finally, inward-facing departments like EHS, Quality, HR, Finance, Business Support and Technical Services help support our organization, people and infrastructure.

Our business has been organized into three business units since the end of 2023: Overhead Conductors, Aluminum Specialties and Copper Specialties. This organization is aligned with our key markets, and allows Lamifil to be highly responsive to customer needs and requirements through the allocation of dedicated commercial and technology teams.





THREE BUSINESS UNITS SERVING OUR KEY MARKETS

1. Overhead Conductors

Emerging and developed economies across the globe are grappling with an escalating demand for electricity. Emerging economies require new infrastructure to match this demand, while developed ones are challenged with the need to modernize aging power networks and integrate renewable energy sources. A significant proportion of power transmission expansion is provided by overhead conductors, with undersea and underground conductors also playing an important role.

Lamifil develops and manufactures overhead conductors for power transmission and distribution based on aluminum and its alloys. The surging demand has led to ongoing efforts to create more efficient versions. Our Overhead Conductors business unit designs and produces these high-performance and efficient overhead conductors to facilitate the global energy demand and transition. The improvements made are not solely motivated by the need for increased capacity; more efficient conductors also result in lower energy wastage. The lower energy requirements therefore lead to reduced CO₂ levels, effectuating a twofold benefit: cost savings for grid owners and environmental gains for society.

A range of high-tech overhead conductors with high conductivity on the one hand and high-temperature conductors with low sag (HTLS) on the other allow us to offer customer-oriented solutions to grid operators around

the world. Our advanced products allow our customers to save millions of tons of CO₂ every year.

The design and manufacture of our overhead conductors are currently undertaken at our production plant in Hemiksem, Belgium. In 2026 we plan to start production in the United States, which will serve the local market; this will contribute to significant CO₂ reductions related to intercontinental transport.



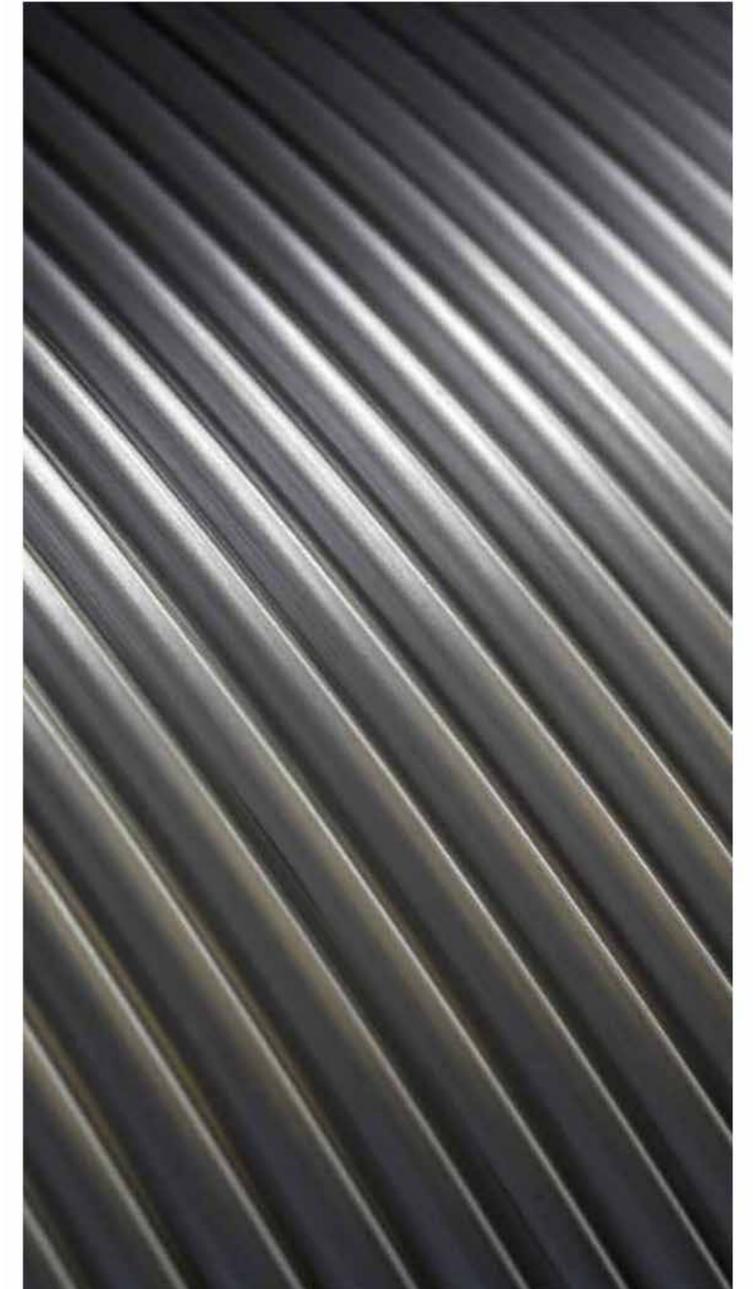
2. Aluminum Specialties

In the Aluminum Specialties business unit, Lamifil produces wires, cables and conductors perfectly tailored to the customer's specifications and production processes. These include products for extrusion, wire drawing, cold forming or stranding processes from high-quality seamless wire rod of up to 44mm, with our range including a selection of aluminum alloys from the 1000, 3000, 5000, 6000 and 8000 alloy series, as well as Al59 and AlZr. Our products serve various applications in the automotive, construction, consumer products and steel industries.

Depending on the application, Lamifil will use pure aluminum (with a minimal purity of 99.7%) or aluminum alloy wire products from its diverse range of shapes and diameters on coil.

Pure aluminum is used for critical electrical applications, while alloys find their place in critical mechanical applications for a variety of industries, such as the high-tech industry.

—
99.7%
 minimum purity of aluminum





3. Copper Specialties

This business unit is responsible for the development and manufacture of specialty copper alloy wires and cables for critical applications, the importance of which has grown within our portfolio as Lamifil has shifted greater focus toward them. This clear choice has resulted in a drastic reduction of pure copper and basic alloy railway products offered to the market. The railway segment was fully integrated in the Copper Specialties business unit, with the Powerfil® Alloy leading the transition to cadmium-free high-end railway alloys for modern catenary challenges.

Using an innovative production process, we offer in-house design, manufacturing, quality control, and supply of wire rod, drawn wires, surface-treated wires and cables, while gradually withdrawing regular stranded conductors for railway applications from our portfolio.

Our alloy families include Powerfil®, CuCr1Zr, CuAg, CuMg, CuSn, CuCrAgSi, and CuP. All alloys are composed of pure materials with an extremely low oxygen content, where Lamifil steers to the ideal alloy element concentrations and maintains these stable for long casting lengths. We can therefore provide customers with long continuous lengths of material that meet precise specifications and perform excellently in subsequent drawing and processing operations.

The different alloy elements bring the right balance of tensile strength and conductivity or resistivity, while the production process used determines other characteristics that the customer requires.

Our customers work with our products to turn them into coated, uncoated, stranded high-end wires or cables for automotive, aerospace, robotics or medical applications. They can be drawn to the thickness of a hair for super fine applications without any significant property changes. Our products can also be transformed into 3D alloy printing powder. As companies look for sustainable and future-proof solutions, innovation and diversity are increasingly becoming major assets.

Our clients are constantly searching for new uses for copper speciality wires. In Lamifil they find a trusted and experienced partner to help them meet their needs and those of consumers. This enables the creation of more dependable medical devices, safer aircraft, and less material-intensive automotive parts, to mention but a few examples.



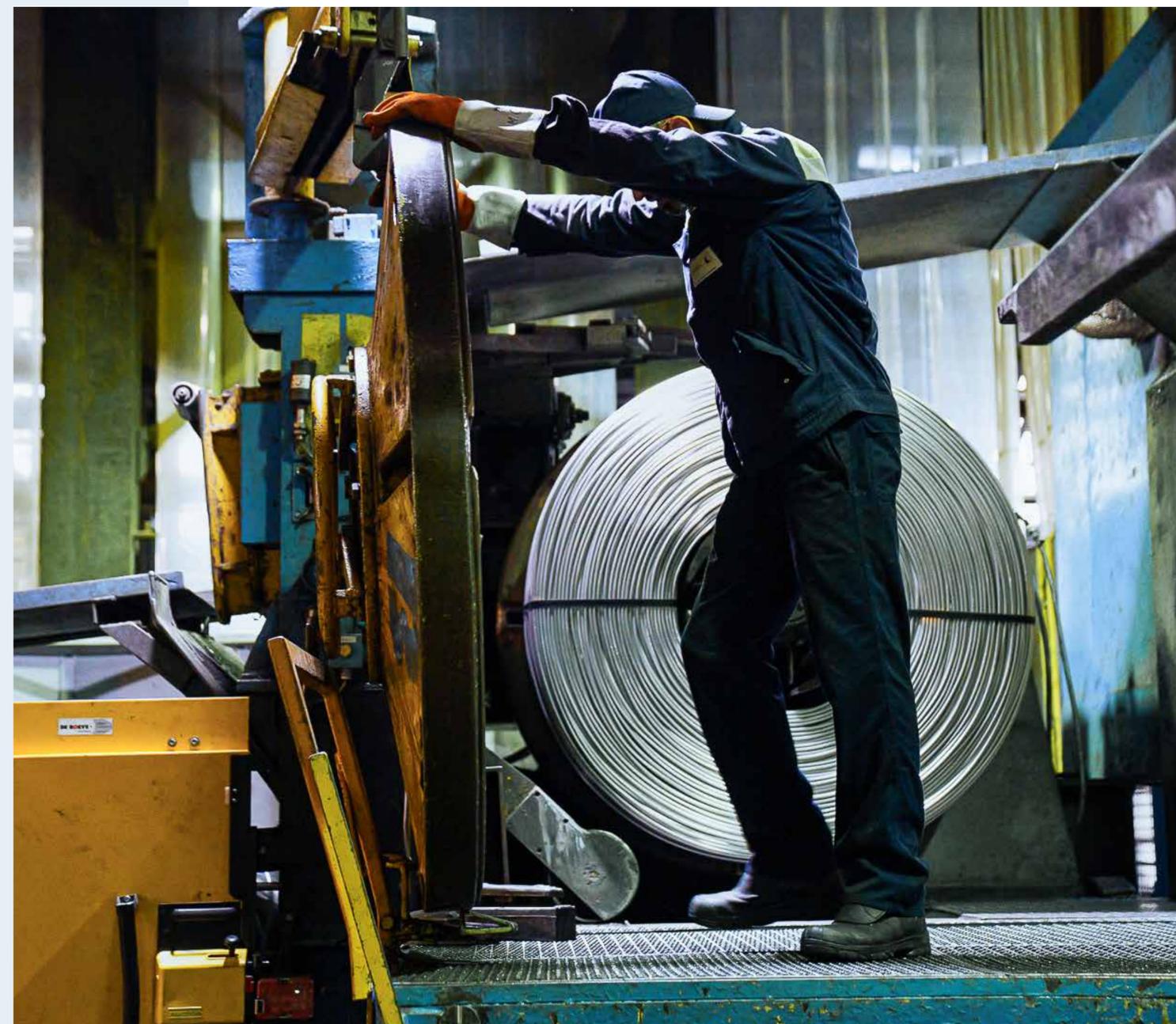
EMBRACING INNOVATION

In 2023 we invested over 5 percent of our gross margin in strategic innovation and R&D. As part of our strategic vision, we continuously work on new and unique solutions that are lighter, stronger and more efficient in order to respond to modern energy and manufacturing challenges. We focus on **added-value solutions rather than mere commodity products**.

Throughout the design and development phase, our R&D engineers team up with our in-house ISO27025-certified lab to subject our products through strict **quality and sustainability tests**. This includes, for example, a carbon footprint study on our overhead conductors, allowing us to show our customers how our products help reduce their carbon footprint. Compliance with the RoHS 2011/65/EU directive on hazardous substances and REACH regulation for chemical substances is embedded in our research, development, and production processes.

Together with various industry associations and institutes, we exchange knowledge with a view to accelerating the global pursuit for sustainable technologies. Among others, Lamifil is represented in national, European and international electrotechnical committees. We also contribute to several technical workgroups and collaborate with renowned Belgian universities.

We leverage our knowledge of wire drawing, stranding, extrusion and cold forming processes to advise our customers on materials and compositions for their specific industries. Our customers rely on us to help them improve their products and processes, economize on material usage, and increase energy efficiency.



Key figures 2023

SOCIAL



PRODUCTION

(based on volumes produced)

92.2%
aluminum



7.8%
copper

ENVIRONMENTAL

6.5% reduction in total energy consumption compared to 2022



CO₂ emissions Scope 1
8,695 tons of CO₂eq

CO₂ emissions Scope 2
2,977 tons of CO₂eq 

FINANCIAL



Revenue
179 million euros

Revenue aluminum
77.9%

Revenue copper
22.1%

6.75 **EBITDA** million euros



2.7 **NET PROFIT** million euros



OUR VALUE CHAIN

At Lamifil, we draw upon over 95 years of technology, innovation and mastery to transform the finest aluminum and copper into high-tech products. We connect with every link in our value chain to ensure that our products are both efficient and environmentally responsible.

Raw material sourcing

The primary raw materials for manufacturing our products are aluminum and copper. Bauxite ore - the primary source of aluminum - and copper ore are extracted by mining companies. Once extracted, bauxite and copper concentrates are sold on the global market to companies specializing in smelting and refining of these raw metals. Through a chemical process known as electrolysis, aluminum oxide and copper anodes are transformed into pure aluminum and copper cathodes, respectively. Additionally, our copper suppliers add copper scrap as feed material to copper concentrates, yielding copper cathodes with recycled content.

We procure copper directly from European manufacturers in the form of copper cathodes and copper wire rod. Our aluminum procurement typically consists of T-bars sourced predominantly through traders on the London Metal Exchange or in a few cases directly from European suppliers.

In addition to aluminum and copper, we purchase other metals, such as magnesium and manganese for alloying, which are therefore termed alloying elements.

We acknowledge the considerable environmental and social concerns associated with the mining and processing of aluminum and copper. These include high-energy consumption leading to notable GHG emissions, soil pollution, inadequate working conditions and a disregard for workers' rights. We actively collaborate with our suppliers to address and mitigate these impacts. We have established long-term contracts and partnerships with suppliers of certified green aluminum with the aim of increasing its share within our sourcing wherever possible. Green aluminum is produced exclusively using renewable energy sources, resulting in a substantial reduction in its carbon footprint. Furthermore, all our major metal suppliers have signed our Supplier Code of Conduct, which encompasses requirements regarding human rights, occupational health and safety, ethics, environmental considerations and transparency. Wherever possible, we prioritize sourcing our raw materials and other goods from local, European suppliers and adopt dual sourcing to secure their availability.



Processing and packaging by Lamifil

For over 95 years, our products have been manufactured at our production site in Hemiksem. Aluminum T-bars, copper cathodes and copper wire rod are melted at extremely high temperatures. Various alloying elements may be added to the molten aluminum or copper to create our unique alloys. Subsequently, we cool, cast, and roll the molten aluminum and copper, yielding aluminum and copper rods. Further processing of these rods may consist of drawing, extrusion, cabling and/or surface treatment tailored to client specifications.

We are committed to eco-efficient manufacturing with the least possible disruptions to local residents, including multiple team members living nearby. We continuously invest in strategic and operational improvements for our manufacturing plant. For example, the introduction of an innovative eco-efficient aluminum production process, including new casting and melting facilities, in 2021 has enabled us to cut our natural gas consumption by a quarter and significantly reduce our CO₂ emissions. In addition, we plan to start production of overhead conductors with locally sourced cable cores in the United States by 2026, which will serve the local market. This will contribute to substantial CO₂ reductions associated with intercontinental transport.

In 2023, we completely phased out cadmium alloy casting and processing from our site. We are also implementing several measures to minimize noise and other forms of disturbances for our neighbors. Lastly, we support circular mechanisms for the reuse and recycling of materials throughout the product cycle. We effectively reuse 100% of our internal aluminum production scrap.

Additionally, we partner with a copper recycling specialist to recycle our copper production scrap, eventually transforming it into copper wire rod that can be used again in our production process.

High-quality packaging safeguards the quality of our products during transportation and storage. We collaborate closely with our customers to select the most efficient and environmentally friendly packaging solutions. Optimal packaging reduces weight, volume and transportation impact. Depending on the weight and volume of the products, we use different types of packaging: wooden (FSC-certified) or steel drums, wooden pallets, cardboard octabins, and others. The drums are reused to the greatest extent possible. Looking ahead, we aim to intensify our efforts toward packaging optimization and standardization.

Distribution and sales

We distribute and sell our rods, wires and cables all over the world. The transportation of our products is typically handled by our customers themselves. Our sales operations exclusively target business-to-business transactions. The sales markets for our products are very diverse and vary between business units.

Our product portfolio encompasses both finished and semi-finished goods. For instance, we produce finished aluminum overhead conductors and copper catenary wires in our proprietary Powerfil® alloy. These cables are sold to national and international grid and railway operators.

The installation of the overhead conductors and copper catenary wires is carried out by installers, who are either contracted by the operator, through a third party, or by ourselves.

In addition, we manufacture semi-finished products, specifically aluminum and copper specialty wires and rods in a variety of shapes and diameters. These aluminum and copper specialties serve a diverse range of industries, including steel, automotive, aviation, aerospace, medical, robotics, 3D printing, and consumer products. Our specialty wires and rods undergo further processing and transformation into end products. This downstream processing typically involves multiple parties, positioning us as a tier 3 supplier of the end product.

All our products are designed and manufactured according to high-level safety standards to ensure that they can be transported, installed, and utilized effectively and safely. Furthermore, we offer a range of support services to complement our finished products. These include both theoretical and hands-on installation training sessions. Moreover, our experts are available on site during installations to provide guidance on specific installation procedures.

Use phase

We bring connections to life with our smart wires that literally connect energy, people, and cities. Our premium overhead conductors help supply energy to millions of households and companies worldwide. Our highly-conductive overhead, undersea, and underground conductors, based on aluminum and aluminum alloys, strengthen power transmission capacity and support the energy revolution.

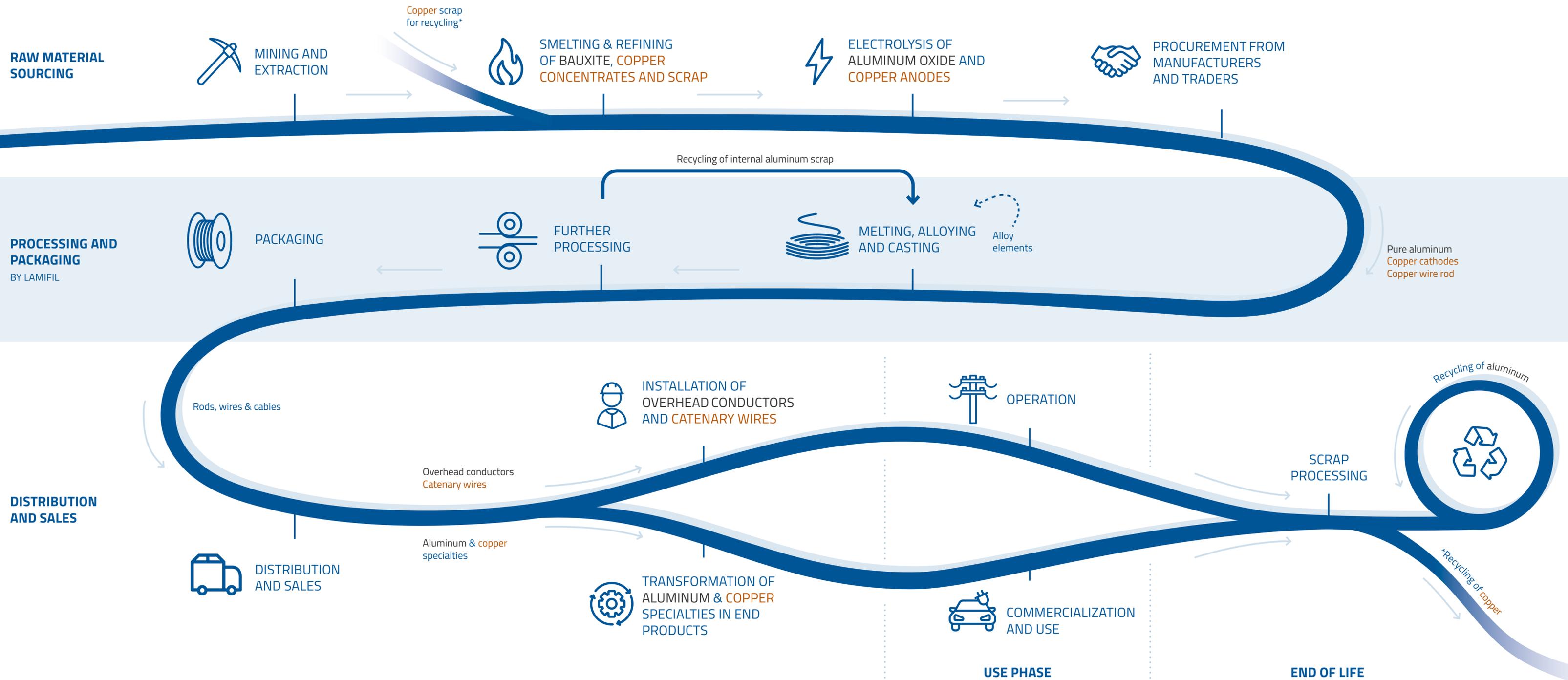
Furthermore, our aluminum and copper specialty wires contribute to the development of lighter, thinner, and less material-intensive automotive parts, thus advancing electric mobility. Lastly, our catenary wires ensure that millions of train passengers and rail cargo reach their destinations every day.

End of life

Aluminum and copper are 100% recyclable metals, meaning that they can be recycled repeatedly without any loss of quality. At the end of their lifecycle, the scrap generated from our copper-based products is recycled by a specialized copper processor (as indicated by the asterisk in the visual). This end-of-life copper scrap is converted into recycled-content copper cathodes and copper wire rod, which seamlessly reintegrate into our production process. In this way, we effectively close the loop, ensuring sustainable resource utilization.

Due to the very high purity standards required for our aluminum and aluminum alloy products, we are currently unable to reuse end-of-life aluminum scrap in our production process. However, the aluminum scrap can still be recycled and repurposed for several other applications. Looking ahead, we are committed to investing in R&D efforts to further explore the use of recycled aluminum in our products, particularly for non-electrical applications.

Our value chain



Black text is specific to aluminum. Orange text is specific to copper. Blue text is about both.



OUR CORPORATE GOVERNANCE STRUCTURE

Lamifil was established in 1929 as a privately owned company. Lessius NV is the reference shareholder and owns 89.3% of the shares. The other shares are held by more than 50 smaller private parties.

Each year in April, Lamifil organizes the Annual General Assembly where all shareholders have the opportunity to discuss the results. The Executive Chairman of the Board and the CEO are present to answer questions.

OUR LEADERSHIP TEAM

Board of Directors

The Board of Directors is Lamifil's **ultimate decision-making body**. It oversees the CEO and the Executive Committee on behalf of the shareholders. The Board consists of 7 Directors. These are:

- the CEO;
- the Executive Chairman, appointed by the reference shareholder;
- 2 Board members, appointed by the reference shareholder;
- 3 independent Board members, appointed by Lamifil.

The members of the Board have different professional backgrounds, including international expertise in corporate finance, M&A, human resources, production, and strategy. They meet every quarter to discuss the business results and the company's strategy. Two extra meetings are held to discuss the budget and to prepare the Annual General Assembly of Shareholders. Biographies of the individual Board members are available on request.

The current members of the Board of Directors are:

CEO	Filip Goris*	Lamifil NV
Executive Chairman	Olaf Sterkenburg*	on behalf of Lessius NV**
Non-Executive Board member	Stéphane Vlaemminck*	on behalf of Lessius NV**
Non-Executive Board member	Philippe Kindt*	on behalf of Lessius NV**
Independent Board member	Marco Croon*	
Independent Board member	Karel De Boeck*	
Independent Board member	Anne Van de Catsye*	

(*): representing their respective management companies
 (**): Lessius NV is controlled by Koramic Investments NV

Board members are appointed for 3 years. After that period, Lamifil foresees an evaluation for possible extension.



43% independent Board members (3 out of 7)



Wim Vandenbrande

Dennis Vanleene

Filip Goris

Myriam Blaton

Chris Martens

Executive Committee

The Executive Committee (ExCom) is responsible for the day-to-day management of Lamifil. It consists of 5 members of the management team. All members have held relevant senior positions in large international companies before joining Lamifil. Biographies of the individual ExCom members can be found on LinkedIn.



The current members of the ExCom are:

Chief Executive Officer	Filip Goris*
Chief Financial Officer	Wim Vandenbrande*
Chief Operations Officer	Chris Martens*
Chief Human Resources Officer	Myriam Blaton
Business Unit Director Copper	Dennis Vanleene

(*) representing their respective management companies

REMUNERATION POLICY

Lamifil provides market-compliant remunerations for the Board of Directors, the CEO and the ExCom.

- The Board members receive a fixed annual remuneration for their contribution.
- The remuneration package of the CEO and the members of the ExCom consists of two components:
 - a fixed remuneration
 - a variable annual bonus

Remunerations are tailored to the responsibilities that individuals bear within Lamifil. They are evaluated each year by the Executive Chairman and the CEO. From 2024, 25% of the variable annual bonus for ExCom members will be linked to Lamifil's sustainability goals.

SUSTAINABILITY GOVERNANCE

Lamifil presents its sustainability progress in an annual sustainability report. The first report was published in 2021, subsequently being approved by the Board of Directors. The second sustainability report was published in 2022.

In 2023, following the publication of the CSRD, Lamifil redirected its sustainability approach. Supported by external partners, the ExCom significantly refined the Lamifil ESG vision, strategy and roadmap, in order to comply with CSRD standards by 2025. The new governance structure will be implemented in the course of 2024.

The ESG strategy will be embedded in the company strategy. Both the Board of Directors and the ExCom will monitor the implementation of the new ESG strategy.

The Board will also set and approve Lamifil's annual ESG targets. The EHSQ-S Manager oversees ESG actions, conducts risk assessments, works toward CSRD compliance, and reports to the CEO.



PART II
**FINANCIAL
INFORMATION**

BUSINESS REVIEW 2023

Financial Performance

COVID-19, the war in Ukraine, inflation and the energy crisis have all had a major impact on the company's results in recent years. 2023 saw an improved economic environment, operating profit from normal operations increased, and the following key aspects are worthy of note:

A combination of good sales volumes and improved sales prices had a positive impact on earnings.

Inflation – and consequently wage indexation – remained high in 2023, resulting in a significant increase in fixed costs. In addition, further investments were made in training and in optimization of production equipment, with the aim of further improving both the working environment and the facilities themselves.

The results were negatively affected by an increase in provisions for bad debts and other risks and costs.

The 2023 results can be summarized as follows:

- REBITDA amounts to €5.6m compared to €3.4m in 2022
- REBIT amounts to €3.1m compared to €0.6m in 2022
- The net result amounts to €2.2m compared to €-15.4m in 2022
- Equity amounts to €31.6m compared to €29.4m in 2022

In 2023, we continued to work on the implementation and realization of the "Focus 2025" strategy. This strategy emphasizes the production of high-quality aluminum and copper alloys with high added value, alongside the optimization of the cost structure and efficiency, resulting in the structural improvement of the company's profitability.

The organization was also further strengthened, evolving into a Business Unit structure by the end of 2023, which better enables us to meet the specific needs of the Business Units' customers (Overhead Conductors, Aluminum Specialties and Copper Specialties).

SALES

Turnover is less representative of the business due to vulnerability to fluctuations in raw material prices. Turnover was €177m, down 3% from 2022. Volume increased by over 9,100 tons, up 14% compared to 2022.

RAW MATERIAL MARKETS (ALUMINUM AND COPPER)

Both the aluminum and copper commodity prices (in USD) at the beginning and end of 2023 were unchanged, with both also experiencing relatively limited fluctuations over the course of the year. We noticed a strong start in January, at \$2.6k for aluminum and \$9.3k for copper. From then on, prices gradually declined to a late summer low of \$2.0k for aluminum and \$7.8k for copper, before stabilizing at year-end, returning to the same price as at the start of the year.

A 4% depreciation of the USD against the EUR had a negligible effect on prices in euro terms. The 100% hedging policy ensures a neutral effect on the result.

In spite of our self-sanctioning regarding the purchase of Russian aluminum, we experienced no supply problems.

BALANCE SHEET STRUCTURE

Property, plant, and equipment increased slightly from €28.5m at the end of 2022 to €29m at the end of 2023. We made investments of €1.6m, while depreciation amounted to €2.4m.

The results were negatively affected by an increase in the bad debt provision (valued at €0.6m) and an inventory write-down of €0.2m. Management is making every effort to recover these receivables.

Provisions for other risks and costs increased by €0.9m. This is due to a number of quality complaints in the copper department. While the underlying issues have since been resolved, the complaints have not all been settled at present. In addition to this, a provision related to a customer claim exists for an Overhead Conductors (OHC) project, where management is still negotiating a solution with the customer.

The increase in interest rates led to a €0.8m increase in the cost of debt.

+ 9,100 tons
sales volume

€ 1.6 million
investments

FINANCIAL DEBT AND WORKING CAPITAL

Total net financial debt at year-end 2023 was €24.9m, compared to €26.7m at year-end 2022, down €1.8m.

This can primarily be attributed to positive results and a decrease in working capital. Non-recourse factoring at year-end 2023 was €4.6m compared to €9.7m at year-end 2022. Despite sales volume growth, working capital decreased by €3.3m. We have respected all financial obligations to banks and suppliers. The debt ratio was reduced in 2023, and our strategy involves further reducing it in the future.

BALANCE SHEET TOTAL

The balance sheet total increased from €81.1m at the end of 2022 to €85.7m at the end of 2023. Shareholders' equity at the balance sheet date was €31.6m, compared to €29.4m at the end of 2022, increasing the Equity/Balance sheet total ratio from 36% to 37%.

ALLOCATION OF THE RESULT

In 2023, the company returned to profit after several years of losses. It is of great importance to the Board of Directors that Lamifil continues to invest in a sustainable positive result, and to further reduce debt.

THE MARKET

The acceleration of the energy transition we witnessed in 2022 continued in the OHC Business Unit in 2023. Investment in offshore wind and solar power boosted market volumes. Growing demand has increased both Lamifil's volumes and margins in this segment.

The same trend is also seen in the Aluminum Specialties Business Unit, where underground distribution cables account for the large volumes. This growth has been driven by increased sales of electric cars and the charging infrastructure that they require, and the installation of a large number of solar panels that inject their non-consumed energy into the distribution network.

In the Copper Specialties Business Unit, demand was driven by fine-wire applications for the aerospace and automotive industries, as well as other critical applications, such as medical imaging and telecoms. Volumes in the new high-end segments such as 3D printing, also began to increase.

Production of cadmium-containing copper alloys was permanently ceased in 2023. They were replaced by newly developed alloys that are currently already being successfully deployed in specialized railway applications and the aircraft industry.

R&D

The R&D department continues to focus on improving and broadening the product range and developing aluminum and copper alloys with higher added value.

Powerfil®, a high-performance copper alloy, was launched by Lamifil in 2022 for applications in the telecommunications, consumer electronics, aerospace, automotive and railway industries.

We have experienced an increase in average margin per unit sold for this segment in 2023, leading to a positive impact on earnings.

Research within the aluminum alloys domain is focused on high-performance mechanical alloys, balancing with energy applications in the overall product mix. New applications for mechanical alloys are found in electric vehicles, thermal engineering, high-end fastening technology, and welding and mechanical engineering processes.



KEY FINANCIAL FIGURES

		2019	2020	2021	2022	2023
Sales	(mil €)	146	123.4	128.5	183.4	177
EBITDA	(mil €)	4.6	0.4	-0.4	2.4	6.5
REBITDA	(mil €)	4.5	2.2	1	3.4	5.6
EBIT	(mil €)	1	-2.4	-4	0.2	4.1
REBIT	(mil €)	0.7	-1	-2.5	0.6	3.1
Result before amortization of financial assets	(mil €)	0.7	-2.8	-4.4	0.1	3.1
Net result after taxes	(mil €)	0.6	-2.6	-4.4	-15.4	2.2
Equity	(mil €)	36.1	33.5	29.1	29.4	31.6
Equity/share	(€/share)	31.7	29.4	25.5	25.8	27.7



FINANCIAL STATEMENTS

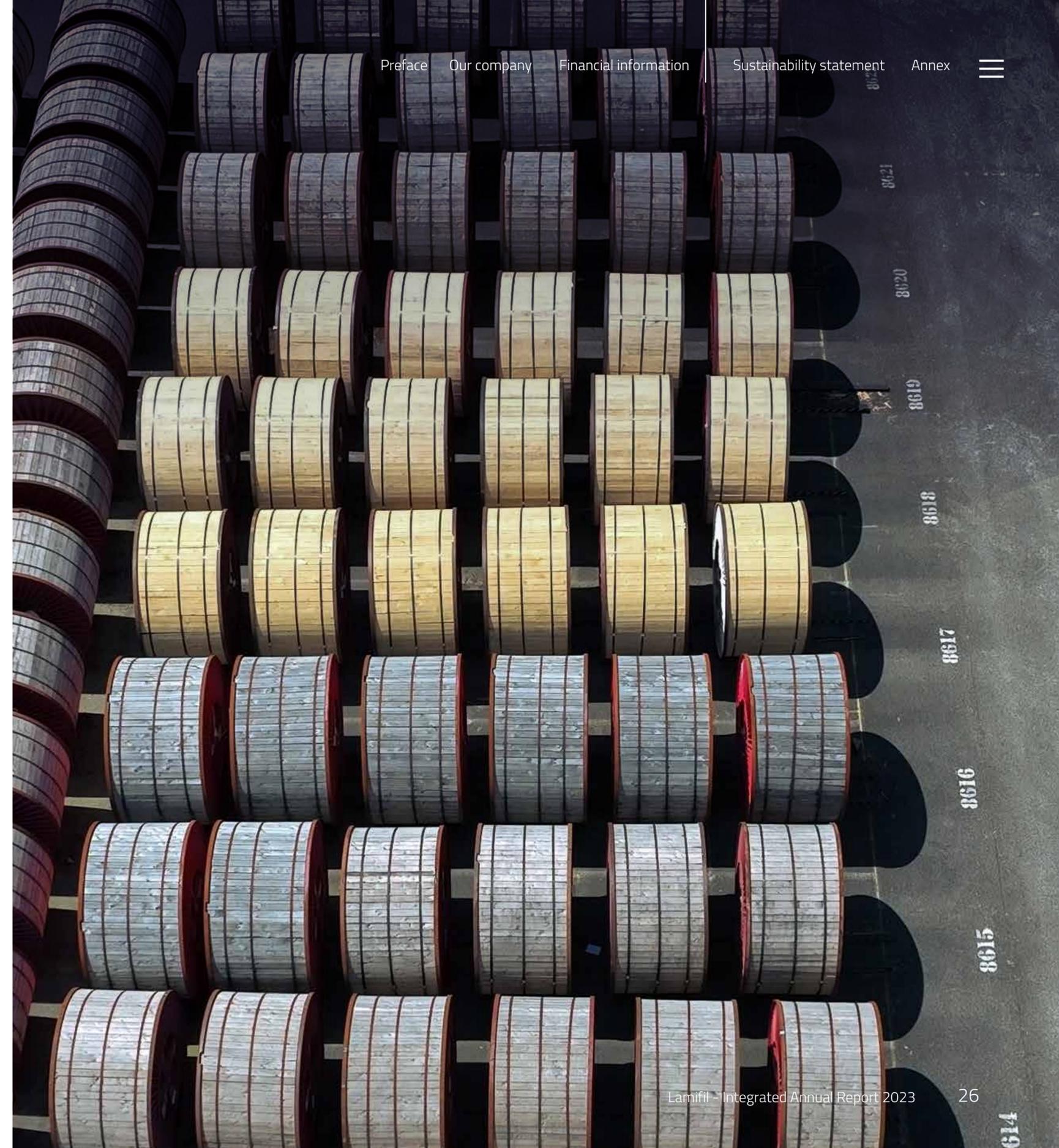
BALANCE SHEET LAMIFIL 31/12/2023

ASSETS	€K	LIABILITIES	€K
Fixed Assets	30.295	Equity	31.575
Tangible fixed assets	29.037	Share Capital	4.485
Land and Buildings	18.564	Revaluation surpluses	15.757
Machinery and equipment	4.819	Reserves	863
Furniture and Vehicles	758	Retained Earnings	10.194
Leasing	4.086	Capital Subsidies	276
Assets under construction	810		-
Financial Fixed assets	1.258	Provisions and deferred taxes	2.184
Current Assets	55.444	Debt	51.980
Inventory	31.935	Financial debt > 1 year	18.389
Short term Receivables	22.736	Debt < 1 year	33.591
Cash and Bank	467	Financial debt < 1 year	6.940
Deferred charges/Accrued income	306	Trade debt	16.855
		Advance payments	2.743
		Taxes and Social charges	4.740
		Other Debt	1.766
		Accrued charges/Deferred Income	547
Total assets	85.739	Total Liabilities	85.739



P&L LAMIFIL 31/12/2023

	€K
Operating income	181.412
Turnover	176.938
Inventory finished goods/ Wip increase (decrease)	765
Fixed assets produced	41
Other operating income	2.349
Non-recurring operating income	1.319
Operating expenses	-177.303
Trade goods, raw and auxiliary materials	-133.842
Service and other goods	-20.004
Remuneration, social security costs and pensions	-18.732
Depreciation and amortization	-4.083
Other operating expenses	-478
Non-recurring operating expenses	-164
Operating profit (loss)	4.109
Financial result	-1.611
Earnings before taxes	2.498
Incomes taxes & deferred taxes	-300
Net profit (loss)	2.198





LAMIFIL INC (USA)

After a period of sustained market development, activities in the United States are beginning to bear positive results, as was seen in 2023.

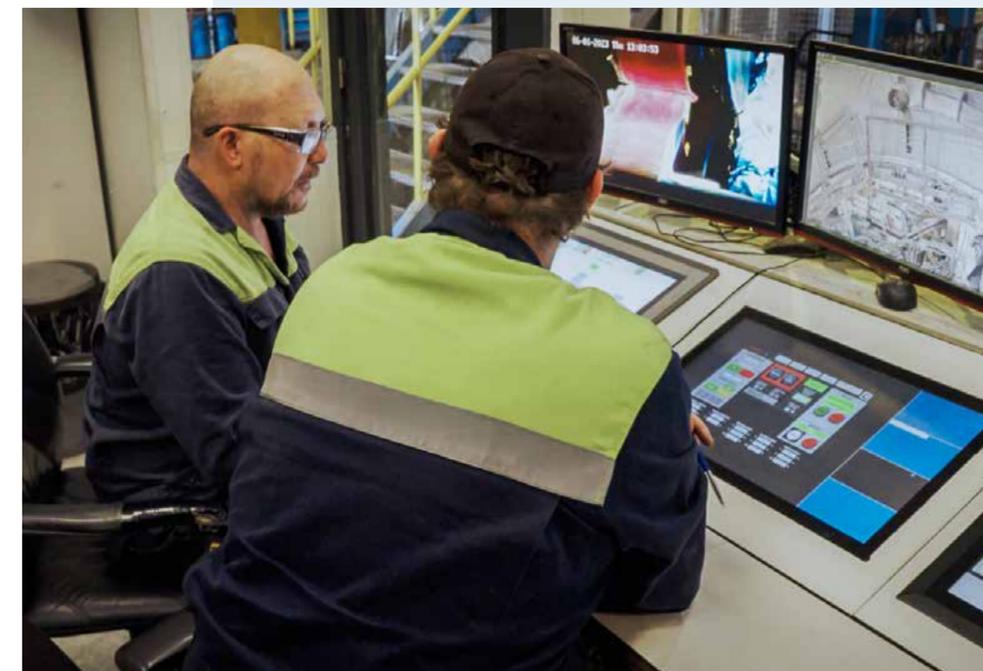
PARTICIPATION IN GMSH NV

In 2018 the opportunity arose for Lamifil to purchase land adjacent to its already existing premises, a portion of which was enclosed in the current production unit. This was achieved through the acquisition of a 100% stake in GMSH NV. This land is crucial to any possible future expansion of the plant. The Board of Directors decided to integrate GMSH NV into Lamifil NV during the 2023 financial year through a silent merger, which was officiated in June. This merger had no impact on earnings.

The land owned by GMSH was included in Lamifil's books through this transaction, to the value of €1.4m. On the other hand, the stake worth €1m held by Lamifil NV was written off, and the mutual claim/debt between Lamifil NV and GMSH worth €0.4m was offset.

Investments

In previous years, a number of major investments were made in the rolling mill and the copper department, which have brought about significant benefits. In 2023, several smaller investments in process automation, IT-related investments and modifications to buildings and land have been made, at a total cost of €1.6m. These investments – and also those of subsequent years – will primarily optimize existing capacity through automation and digitalization. This increased capacity should enable Lamifil to meet increased market demand, with a direct positive impact on future operating profit.



RISKS AND UNCERTAINTIES

Risk management process

An important risk factor in Lamifil's business is the dependency on and evolution of raw material prices, predominantly those of aluminum and copper. To mitigate this risk, the company has formulated a hedging strategy which assures all physical transactions of aluminum and copper: both sales and purchases are hedged on the LME (London Metal Exchange). A hedging committee (composed of the CEO, CFO and Metals Manager) has been established, which meets on a regular basis to ensure that there are no open positions on metal.

Transactions at Lamifil are carried out in euro, USD or GBP. The exchange rate risk is hedged on the financial markets. There are no open foreign currency positions.

Risks and uncertainties

Lamifil is subject to the same risks as most companies. The following risks that are specific to Lamifil also exist:

- The very high and still rising personnel costs in Belgium compared to our competitors in our various markets.
- In the event of further escalation of the war in Ukraine, certain activities may be adversely affected.
- Due to the specific clientele and the long lead time of projects in cable production, sharp inflation in terms of wages and energy costs, even after the introduction of a price review clause, cannot always be passed on directly and in full to customers.

OUTLOOK FOR 2024

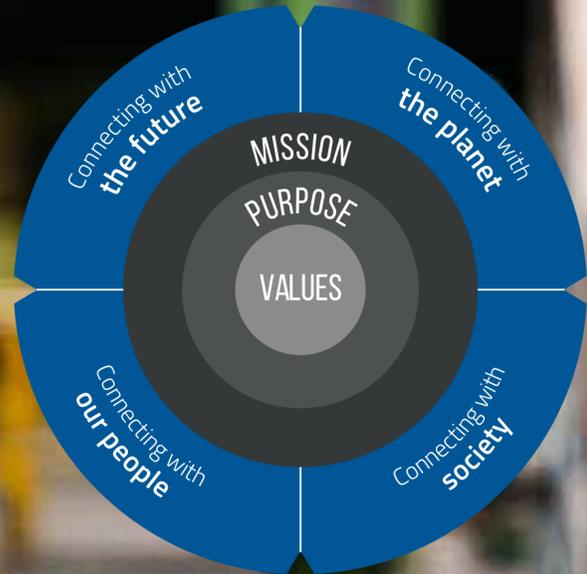
The Board is cautiously positive about 2024. Notwithstanding the wars in Ukraine and the Middle East, the economic outlook for the various markets and regions in which Lamifil operates is good. However, wage inflation and relatively high energy costs remain a substantial risk compared to producers in other EU and non-EU countries.

IMPORTANT EVENTS AFTER THE CLOSING DATE OF THE ACCOUNTS

The Board of Directors is not aware of any other events that have occurred since year-end 2023 that require amendment of or additional disclosures within the financial statements.

The Chairman of the Board of Directors thanks the Management and staff of Lamifil for their efforts in 2023 and the positive results they have yielded.





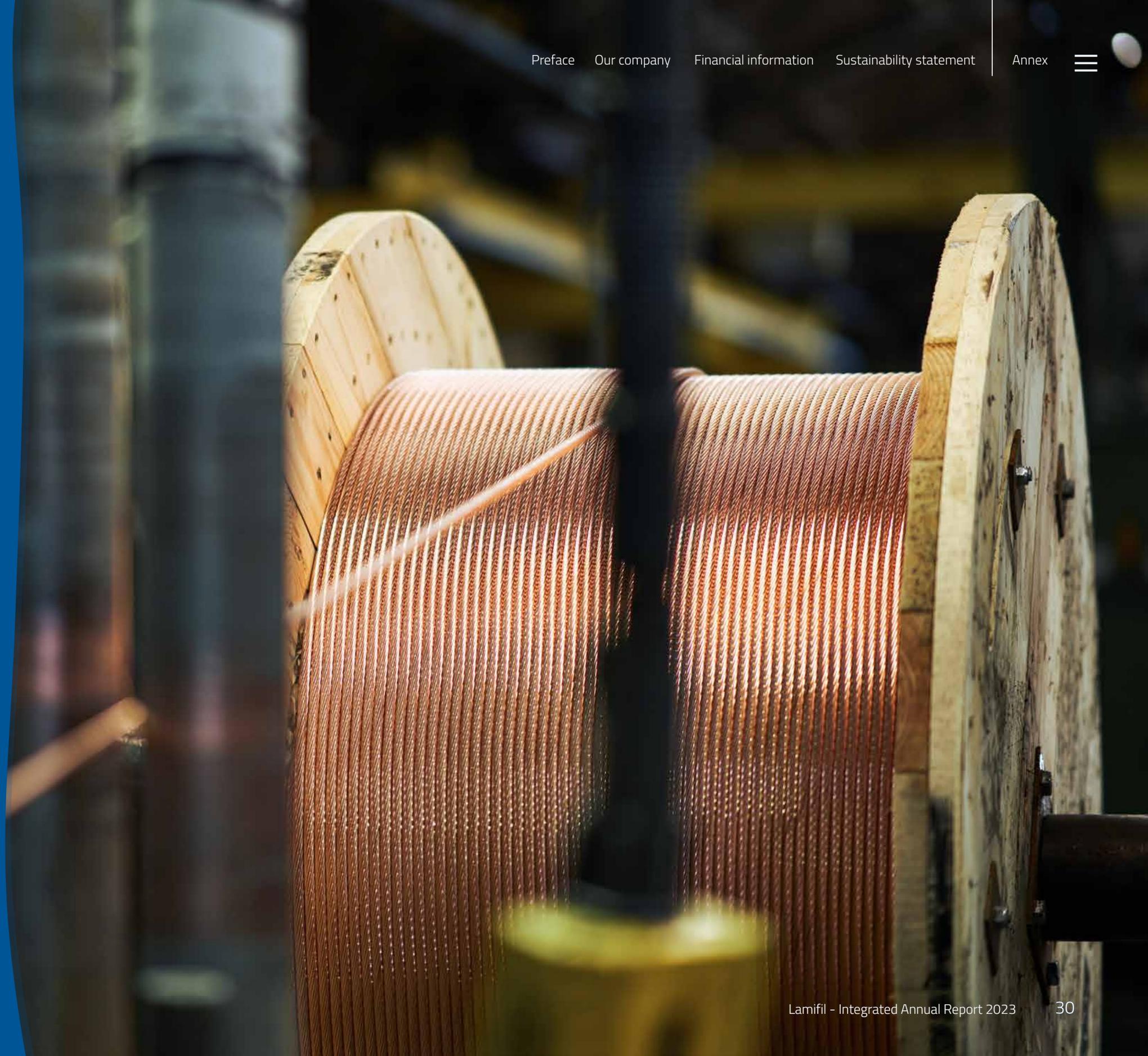
PART III
**SUSTAINABILITY
STATEMENT**





DOUBLE MATERIALITY ASSESSMENT

As a global industrial manufacturer, Lamifil falls within the scope of the Corporate Sustainability Reporting Directive (CSRD), and is therefore required to annually disclose sustainability data. The CSRD encompasses all relevant Environmental, Social and Governance (ESG) dimensions. It seeks to channel more capital into sustainable economic endeavors, and aligns with the European Green Deal and the Sustainable Finance Action Plan. In 2026, Lamifil will publish its first CSRD-compliant report, for the 2025 fiscal year. In anticipation of this milestone, we undertook a comprehensive **double materiality assessment** in late 2023 and early 2024. The objective was to delineate our main concerns and refine our sustainability roadmap for the coming years. Furthermore, we defined specific targets and key performance indicators (KPIs) for each identified material topic. Our focus for the next few years will be on addressing outstanding gaps and creating positive impact as we move toward the 2026 reporting cycle.





OUR SUSTAINABILITY STRATEGY 2030

Lamifil is ready to embrace responsibility for both people and the environment, not only in our internal production processes, but also across our entire value chain. In order to report transparently and meet the requirements of the CSRD, we have updated our sustainability strategy based on the outcome of the double materiality assessment.

Our double materiality analysis

Conducting a double materiality analysis is a crucial stride toward CSRD compliance. This process serves to assess the impact of our operations on both people and the environment, across the entire value chain. At the same time, it factors the implications of external influences, such as climate change, on Lamifil's financial standing.

A double materiality assessment delineates all significant **impacts, risks, and opportunities (IROs)** pertaining to environmental, social and governance aspects. Through this comprehensive analysis, Lamifil ensures the creation of shared value for itself, its stakeholders, and the environment, while furnishing valuable insights to steer our strategic decisions. Additionally, it defines the scope of our sustainability reporting and facilitates the efficient allocation of resources.

Three steps

Our double materiality analysis was conducted between December 2023 and April 2024. To include the insights of our stakeholders, we conducted surveys among internal and external stakeholders regarding topics that are relevant to Lamifil's operations. The double materiality assessment was carried out through a comprehensive array of methods, including online surveys, internal focus groups, external in-depth interviews, and an examination of the impacts, risks, and opportunities by Lamifil's management. The analysis consisted of the following steps:

1. Development of a comprehensive list of IROs
2. Stakeholder consultation and evaluation of double materiality
3. Final materiality assessment

1) Development of a comprehensive list of IROs

We started with a **contextual analysis**. This phase involved delineating Lamifil's activities, mapping out our value chain, and pinpointing key stakeholders. Subsequently, we uncovered both **current and potential IROs**, a task achieved by engaging key employees, benchmarking against sustainability reports from competitors and industry peers, and scrutinizing trend reports and reporting frameworks. This comprehensive bottom-up approach yielded a sizable list of more than 200 potential material IROs. During a first workshop with management, this list of IROs and their alignment with the ESRS standards was refined and **consolidated**.

2) Stakeholder consultation and evaluation of double materiality

In a next step, we sought feedback from our **stakeholders**. Both internal and external parties were invited to evaluate the identified topics and IROs. This evaluation was conducted through a multifaceted approach, including online surveys, internal focus groups, and external in-depth interviews. Stakeholders were encouraged to contribute additional topics and/or IROs as they saw fit.

Based on the final list of potential material IROs, we measured materiality. The management team meticulously reviewed all IROs to **assign a score**. The criteria for assessing impact materiality encompassed scale, scope, remediability, and probability, while financial materiality was assessed based on the probability and the magnitude of financial effects. We used a threshold of 60% to determine materiality.

3) Final double materiality assessment

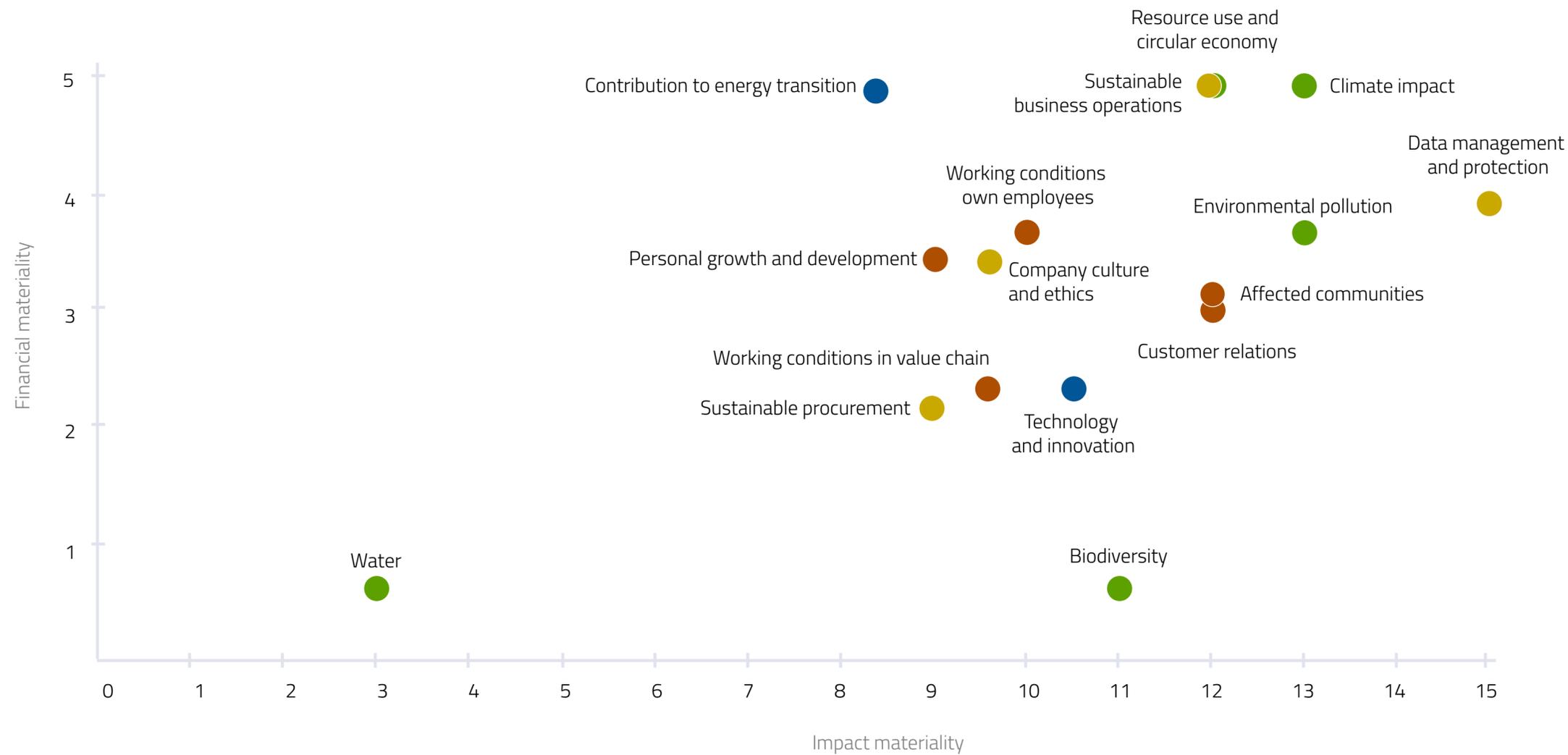
During a second workshop with the management team, we validated our double materiality analysis. The validation process relied on the outcomes of our materiality measurements, supported by insights from stakeholder engagement (including online surveys, internal focus groups, and external interviews), as well as desk research. Drawing from these findings, we **identified the material topics** that now underpin Lamifil's revamped sustainability strategy and furthermore determine our reporting commitments.

Once the material IROs and the associated subtopics were identified, they were clustered. This classification technique enabled the creation of a materiality matrix, pinpointing the most important sustainability topics for Lamifil and our stakeholders.

The table in annex (page 76) shows the overview of the material and non-material IROs.

We identified the material topics that now underpin Lamifil's revamped sustainability strategy

Double materiality



Target-setting

For each material topic, we established a minimum of one target, accompanied by a corresponding KPI for ongoing monitoring. Additionally, we identified 12 targets that are strategically paramount for Lamifil.

The table on page 71 shows an overview of Lamifil’s sustainability performances and targets.

Updating of our sustainability strategy

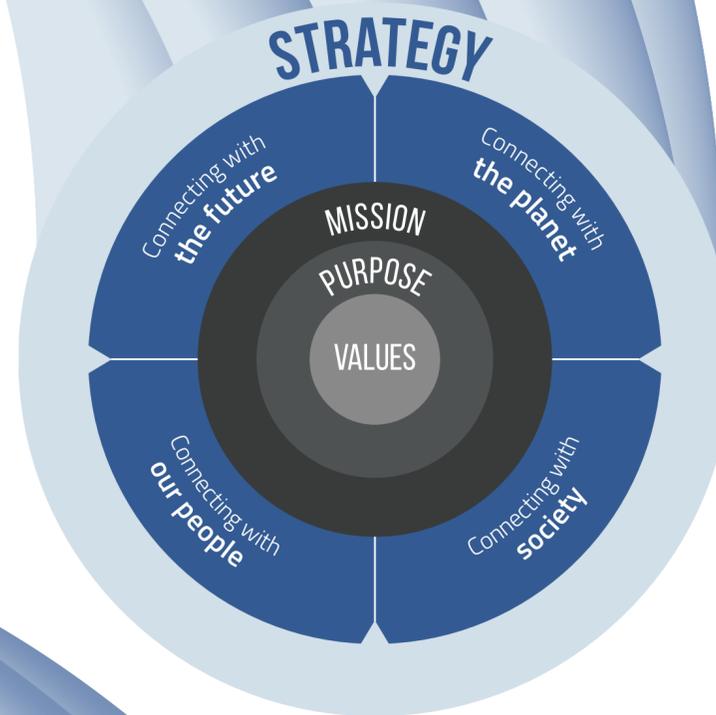
We have been able to update our sustainability strategy on the basis of the insights obtained from the double materiality assessment. The connections forged and sustainable growth generated through our products form the basis of the four pillars of our updated sustainability strategy.

Our sustainability strategy 2030 is based on the following four pillars:

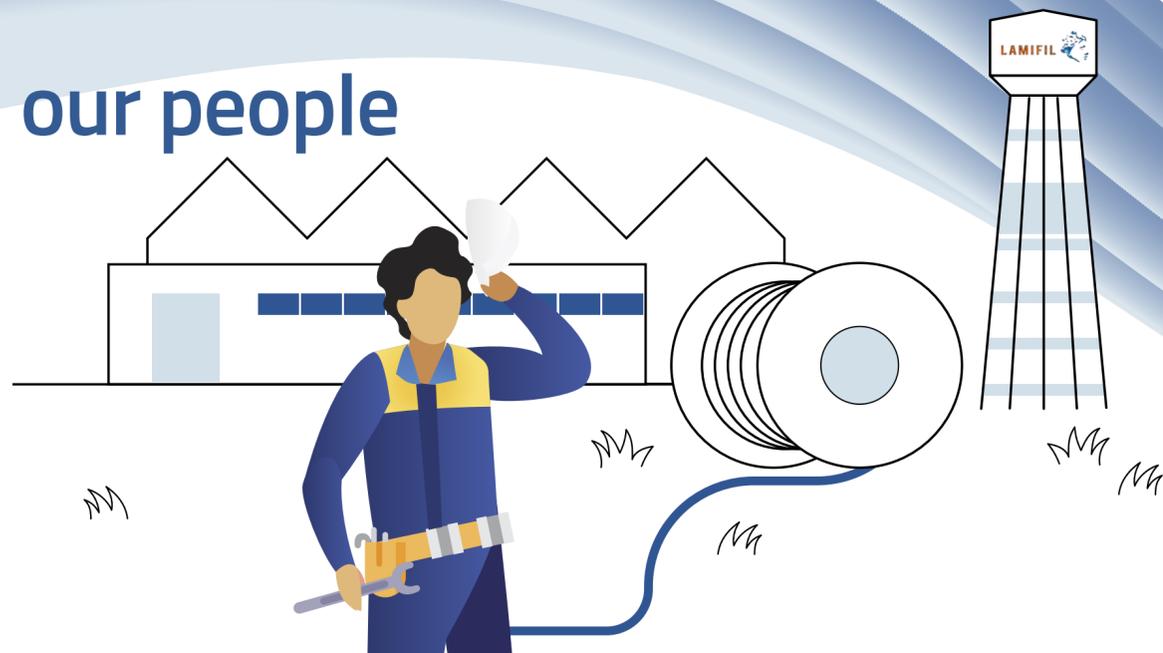
- Connecting with the future via innovative solutions
- Connecting with the planet through sustainable manufacturing
- Connecting with our people by increasing well-being and safety
- Connecting with society as a corporate citizen

Connecting with

the future



our people



the planet



society





The bigger picture

We realize that we cannot take on the world’s challenges all by ourselves. But we also know that if countries, communities, companies, and citizens work together, we can all make a genuine difference. Therefore, we have embedded the larger shared framework of the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) within our own sustainability strategy and objectives. While Lamifil is supportive of all the SDGs, we have identified the key areas in which we believe we can actively contribute and make an impact.

At present, our focus lies on:



Good health and well-being (SDG 3)



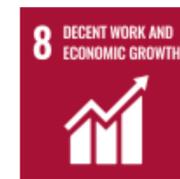
Quality education (SDG 4)



Gender equality (SDG 5)



Affordable and clean energy (SDG 7)



Decent work and economic growth (SDG 8)



Industry, innovation, and infrastructure (SDG 9)



Sustainable cities and communities (SDG 11)



Responsible consumption and production (SDG 12)

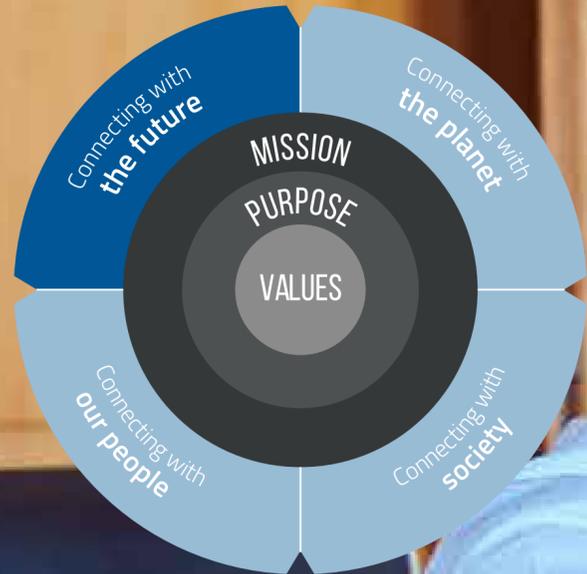


Climate Action (SDG 13)



Peace, justice and strong institutions (SDG 16)

There is a clear link between the SDGs and our own strategic goals: They are all about connecting. Connecting with the future, with the planet, with our people, and with society at large. Our path to grow has been laid out ahead of us. Proud of our heritage, open to the present, and confident about the future, we are ready to write a new chapter.



CONNECTING WITH THE FUTURE

CONNECTING WITH THE FUTURE

via innovative solutions

As a developer and producer of unique copper and aluminum alloy products, Lamifil plays a pivotal role in the energy transition. Our high voltage conductors provide sustainable energy to millions of people. With our innovative products, we strengthen electric infrastructure and facilitate electric mobility.

With an emphasis on research and development, we replace outdated technologies with cutting-edge copper and aluminum alloy products. Our overhead conductors reduce losses and substantially increase energy transmission capacity. They also withstand severe climate challenges such as storms and wildfires. Additionally, our light, thin, and highly conductive specialty wires help our customers to cut their CO₂ emissions, reduce their energy consumption, use less raw materials, and generate less waste.

Our goals

- Reduce the environmental impact of our products
- Develop sustainable products that contribute to energy efficiency and sustainable communities

Our contribution to the SDGs



Our strategic target

- Allocate 5% of the gross margin annually to technology and innovation





TRANSFORMING THE WAY WE GENERATE, TRANSPORT AND USE ENERGY

Climate change is a great challenge. Ever since the Industrial Revolution of the 19th century, human activity has generated massive greenhouse gas emissions, which in turn have increased global temperatures and impacted the climate.

Nations, and even entire continents, have set ambitious goals to reverse this trend. In 2020, the European Commission's Green Deal set the goal of reducing the EU's carbon footprint by at least 55% by 2030 ⁽¹⁾. The US has likewise tasked itself with achieving a net zero emission economy by 2050 and a carbon-pollution-free power sector by 2035 ⁽²⁾.

Global demand for energy is expected to grow by nearly half between 2020 and 2050; an important fact considering **the energy industry is responsible for a significant proportion** of all emissions ⁽³⁾. It is obvious that transforming the way we generate, transport, and use energy needs to be a cornerstone of the global response to climate change.

Lamifil believes that it can play a key role here. First and foremost, by prioritizing the research, development, and manufacture of innovative copper and aluminum alloy products to replace outdated and less sustainable technologies. Our strategic target is to allocate 5% of the gross margin annually to technology and innovation.

Second, by helping our customers make their products and processes more sustainable by lowering CO₂ emissions, increasing energy efficiency, and reducing waste and raw material consumption.

We continuously work on new and unique solutions that are lighter, stronger and more efficient in order to respond to modern energy and manufacturing challenges



EFFICIENT POWER DISTRIBUTION AND TRANSMISSION USING CUTTING-EDGE OVERHEAD CONDUCTORS

A tremendous potential for change

Losses due to inefficient electricity transmission and distribution are the cause of about one billion metric tons of CO₂ emissions every year ⁽⁴⁾. Approximately 5% of all electricity generated in the United States is lost due to system inefficiencies ⁽⁵⁾, while in the European Union these losses vary between individual member states; from 4% to 17% ⁽⁶⁾. Grid inefficiencies are mostly due to outdated electrical infrastructure, most notably because of aging overhead conductors.

Investing in renewable energy alone will not suffice to meet the high goals set for combating climate change; global grids must also be updated and strengthened. The so-called “reconductoring” of transmission cables presents a major opportunity. Replacing legacy steel-reinforced overhead conductors with modern and advanced equivalents is one of the quickest and most cost-effective solutions in this respect. It considerably increases capacity and reduces line losses, without the need to strengthen or replace existing infrastructure.

> 90,000 km
of overhead conductors

Increasing capacity and reducing losses

We direct our R&D efforts toward pioneering solutions, resulting in the development of innovative products like Ultra High Conductivity (UHC) and High Temperature Low Sag (HTLS) conductors. These employ highly conductive, temperature-resistant alloys, along with innovative core and conductor designs, helping to address modern energy grid challenges and secure future energy supplies.

Our range of HTLS conductors, including our ACCC[®] Conductors, has been developed to double the transmission capacity of overhead lines. This allows operators to avoid the need for new lines and reduce the impact on the existing overhead line infrastructure. Our AAAC UHC (All Aluminum Alloy Conductor Ultra High Conductivity) conductor, on the other hand, can reduce line losses by 30% when measured against standard ACSR (Aluminum Conductor Steel Reinforced Cable) conductors and has the potential to improve the line capacity by up to 30%.

in
75+ countries

As overhead conductors are typically designed to be used for up to five decades (or even longer), significant energy savings can be expected from our advanced conductors throughout the product lifecycle. For a standard 50 km-long 3-phase single-wire overhead line, replacing common (ACSR) overhead lines with advanced overhead conductors can reduce energy losses by as much as 15,000 MWh annually. That is equivalent to the average annual energy consumption of 4,000 European households ⁽⁷⁾. In turn, this saves around 6,000 tons of CO₂ emissions (the equivalent of 4,000 cars) annually ⁽⁸⁾. The ACCC[®] Conductor, for example – already in use in over 60 countries – currently saves close to 7 million MWh every year, enough to recharge 1.8 million electric cars. ⁽⁹⁾

Addressing climatic load impacts

Our engineers continuously search for new solutions to address exceptional climatic events, such as **heavy winds, severe ice loads and wildfires**. These can have major consequences, including excessive sagging, which, in turn, can lead to power outages and infrastructural damage. Our ACCC + conductor range is specifically designed to face these climatic challenges by simultaneously **increasing grid reliability** and addressing capacity needs.

Today, more than 90,000 km of our overhead conductors are used for energy transmission and distribution in over 75 countries. Our aluminum-based solid conductors are also used in underground and undersea power cables.

REDUCE ENERGY LOSSES

For a standard 50km-long 3-phase single-wire overhead line, replacing common (ACSR) overhead lines with advanced overhead conductors can reduce energy losses by as much as 15,000 MWh annually. That corresponds to an annual CO₂ reduction of 6,000 tons.



REVOLUTIONIZING INDUSTRIES WITH LIGHTWEIGHT AND DURABLE ALUMINUM SPECIALTY WIRES

Lightweight alternatives that increase performance and energy efficiency

Aluminum's light weight, durability, and reusability have made it the material of choice for replacing other metals – like steel – in many applications. Merely replacing steel bolts with aluminum ones can reduce the total weight of a car by 0.5% and energy consumption by 0.3%.

Around 80% of the products we manufacture are aluminum-based. We offer rolled, drawn, and extruded **aluminum alloy wires and profiles on coil for electrical and mechanical applications**. The stronger and lighter products we develop give our customers and the end user significant benefits in terms of **performance** and energy consumption. With regard to **durability**, we can significantly extend the lifespan of critical mechanical applications by, for example, offering more flexible alloys.

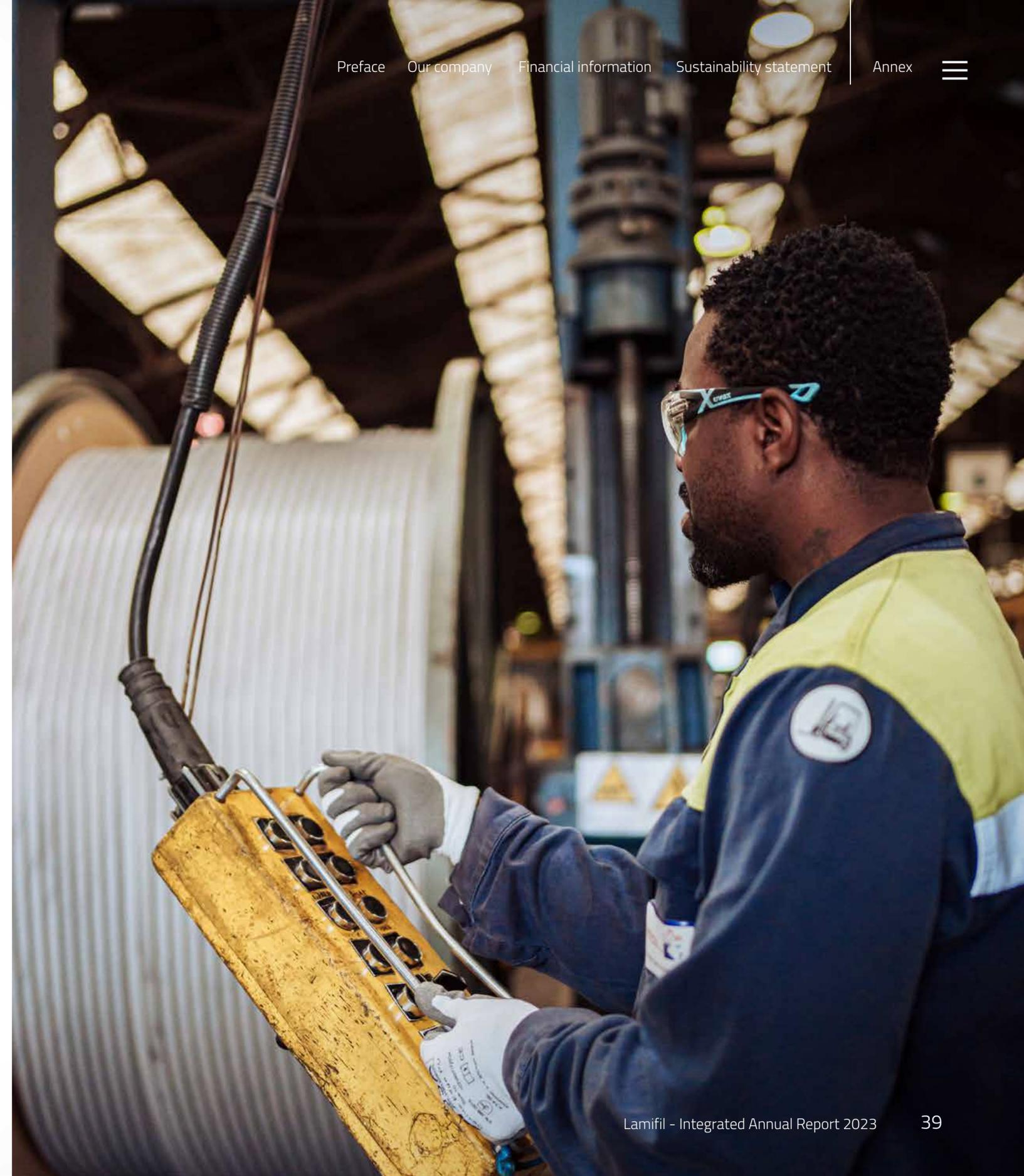
80%

of Lamifil products are aluminum-based

Continuous process and enhanced quality, reducing losses

We recently transformed our aluminum melting facilities in Belgium from the ground up using a unique eco-efficient production process and state-of-the-art equipment. This continuous melting, casting, and rolling process in turn enables cost-efficient production for our customers, especially compared to production using billets.

Moreover, our production method both ensures **homogeneous and stable material characteristics** and reduces imperfections and inclusions. Our product quality and our ability to deliver long and seamless lengths on coil allow our customers to maintain continuous production runs, **reduce downtime and interventions, decrease material losses and waste, and even increase storage efficiency**.





HOW A CAR LOSES WEIGHT BY USING EXTREMELY FINE COPPER WIRES

Replacing a standard pure copper 0.35mm² insulated wire for electrical distribution in a C-segment car by a 0.13mm² CuMg0.2 alloy wire, could result in 63% volume savings, 43% cost savings, and 59% weight savings. Using a 0.07 CuMg0.5 alloy wire in this case would lead to even higher savings; up to 80% in both volume and weight. (8)

NEW SUSTAINABLE OPPORTUNITIES WITH HIGH-PERFORMANCE COPPER ALLOYS

In addition to aluminum-based products, Lamifil manufactures wires and cables from copper and copper alloys. These are primarily targeted at the automotive, aerospace, medical and electronics industries, 3D printing, and the manufacture of consumer goods. In recent years, we have invested heavily in our copper product division in order to develop **stronger, finer, highly conductive, and environmentally friendly alternatives** that exhibit high durability in dynamic conditions arising from repetitive movement or vibrations.

Saving material, weight, and space with fine copper alloy wires

We have recently developed a whole new range of sustainable chromium-based copper alloys, including our **CuCrZr (PowerFil®) and CuCrAgSi alloys**. These are finding their way into modern airplanes, advanced robots, and cutting-edge medical devices. These alloys almost match pure copper in terms of conductivity and resistivity, but outperform it in terms of strength, flex-life, and fatigue. As a result of their properties, CuCrZr and CuCrAgSi alloys can be drawn to extremely fine wires with diameters as small as 0.025mm while remaining strong and very flexible. This allows our customers to create superior end products that are thinner, lighter and require **significantly less raw material, resulting in substantial savings in volume, weight, and cost, as well as lower CO₂ emissions.**

The benefits of the associated reduction in raw material consumption are twofold: there is less impact on the environment, and customers are less susceptible to fluctuations in copper prices. High-end alloys like these allow us to produce more units from the same amount of base material.

A unique and durable approach to copper alloy casting

Lamifil is the only company to successfully use a unique continuous, automated, and stable casting process for high-performance copper alloys. As our casting facilities are fully automated and process-driven, our customers can count on the homogeneity of our products and alloy specifications. Offering **excellent breakage ratios, conductivity, tensile strengths and thermal stability**, our innovative and high-quality copper alloys delivered on coil help our customers **gain efficiency** and reduce scrap in their production processes. We can deliver up to three times more product on coil than traditional billet casting, enabling our customers to minimize production interruptions, welding interventions and breakage risks. Moreover, our copper alloy products on coil ensure the maximum metal yield as compared to billets, which may experience up to 10% metal loss during extrusion.



Next-generation rail electrification with PowerFil®

In 2023 Lamifil made a strategic shift away from copper commodity railway products. For railway applications, our PowerFil® alloy is now the cornerstone of our catenary wire offering. Our PowerFil® alloy heralds a new generation of products for railway electrification, allowing operators to **run more trains on the same track and increase the longevity of their rail systems**. This 'green' and cadmium-free alloy – which can be tailored to the needs of the specific railway operator – offers up to 19% less electrical resistance and 14% higher conductivity than a CuCdSn alloy ⁽¹⁰⁾, thereby reducing CO₂ and increasing efficiency.

The Powerfil® alloy is also the only alternative to cadmium-containing catenary systems that does not require an increase in cable sections and associated material (copper) mass: for instance, 70% more copper is required in the cable alone to achieve the same electrical and strength specifications with a CuMg, or similar alloy. Additional changes to the design of towers, connectors, and auxiliary parts of the system would also be required, generating additional costs for keeping the cables in operation.

POWERFIL®



100% CADMIUM-FREE OPERATIONS

In a bold move jointly undertaken with our customers, all cadmium-containing products were removed from our portfolio throughout 2023. The production site in Hemiksem is now completely cadmium-free, bringing forth a benefit in terms of workplace conditions. The final meticulous clean-up of the production hall – from the floor to the rafters – was carried out in Q4 of 2023.

In the context of our copper-based products, one of our key areas of focus for innovation has been the reduction of the use of hazardous materials such as cadmium.

We are currently running several research projects to further develop new alloys that replace copper-cadmium alloys for applications in industries where technically viable alternatives are lacking. Though cadmium alloys were once well-established in the different markets that Lamifil supplies, from railways to aerospace, alternatives have now matured after many years of research.

Our offerings have been updated and customers looking for cadmium-free alternatives will be guided to the right alloy family, according to specifications. These alternatives can be CuCrZr-, CuCrAgSi- or CuMg-based.

(1) https://ec.europa.eu/clima/eu-action_en, European Union, 2021

(2) FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies, The White House, April 2021

(3) International energy outlook 2021, EIA, October 2021

(4) The climate mitigation opportunity behind global power transmission and distribution, Nature Climate Change volume 9, pp. 660-665 (2019), Kavita Surana & Sarah M. Jordaen

(5) EIA, 2023

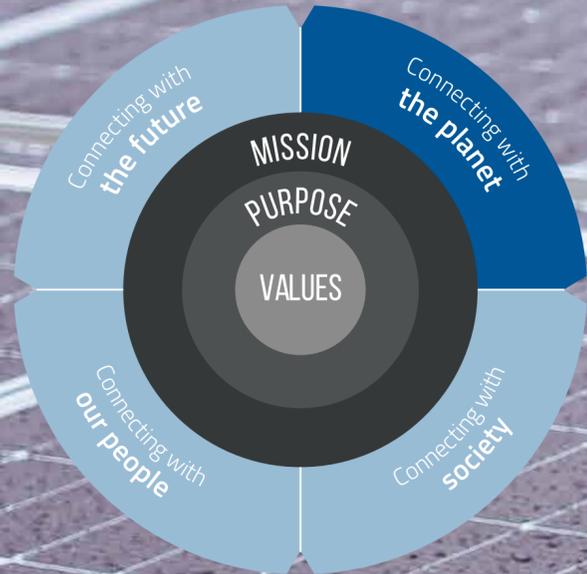
(6) T&D Europe, 2021

(7) Odyssee Mure data, 2018

(8) Lamifil research/calculations

(9) Data CTC Global, 2023

(10) Lamifil lab calculations, PowerFil vs CuCdSn 37x1.80mm wire



CONNECTING WITH THE PLANET

CONNECTING WITH THE PLANET

through sustainable manufacturing

Manufacturing Lamifil products has an impact on the environment. Due to melting copper and aluminum, our production process is very energy-intensive. Mining and transporting raw materials also affects the environment. We aim for efficient and sustainable operations and invest in solutions to minimize our footprint.

Lamifil addresses many environmental concerns through energy and sustainability management. We implement facility enhancements and use solar panels to reduce our energy consumption. Mitigating solutions are adopted to minimize other adverse effects. To embrace circularity, we recycle production scrap, work on eco-friendly packaging solutions, and prioritize 'green' aluminum whenever possible.

Our goal

- Sustainable manufacturing through innovation and efficiency

Our contribution to the SDGs



Our strategic targets

- Reduce 25% of the Scope 1 and 2 emissions by 2030
- Use 100% green aluminum (footprint < 4 kg CO₂eq/kg aluminum)
- Use 50% recycled copper by 2030 (relative to total amount of copper)





SUSTAINABLE PRODUCTION AS A CORNERSTONE OF OUR STRATEGY

Lamifil is committed to sustainable manufacturing. Our main focus is on innovation, efficiency, digitalization, and a people-centric production environment.

We have developed comprehensive energy and environmental management policies, and we invest in strategic and operational improvements for our manufacturing plant. Our push for modernization has resulted in the use of cutting-edge, eco-efficient equipment and innovative production methods. We make efforts to reduce the carbon footprint in our entire value chain, for example through optimizing our production process and exploring strategic partnerships with selected suppliers.

Parallel to these transformative steps, we are gradually embracing digitalization in our production processes. This allows our employees to play a central role in our manufacturing framework. We involve them in our long-term journey and promote a culture of employee safety and well-being.

We view sustainable manufacturing as an ongoing process. Our strategy entails managing and mitigating emissions, improving energy efficiency, minimizing our impact on the environment, and implementing a circular approach. To reduce the carbon footprint of our entire value chain, we focus not only on the CO₂ emissions of our own products and processes, but also on those upstream and downstream.

All our measures seek to reduce the carbon footprint associated with our products and those of our value chain

ENERGY AND ENVIRONMENTAL MANAGEMENT

Lamifil's energy and environmental policies are based on our **Environment, Health, Safety, and Quality (EHSQ) Management System**. This strengthens our commitment to customer satisfaction, and allows us to advance according to the global **ISO9001, ISO45001, and ISO14001 standards**.

At present, our energy management is incorporated into our existing environmental management system, which is ISO14001-certified and adheres to the Flemish Government's EBO program⁽¹⁾. As part of our voluntary participation, our operations are guided by an extensive energy management plan. We also have a strategic plan in place to obtain certification for our Energy Management System according to ISO50001 standards.

In 2023, we conducted a new energy and climate audit, which resulted in a new energy plan for the years 2023-2026. This plan includes a variety of energy efficiency measures and research initiatives. We have an energy team dedicated to the effective implementation, management, and communication of our energy policies. In the near future, we have appointed an EHSQ-S Manager to handle our energy resources even more efficiently.



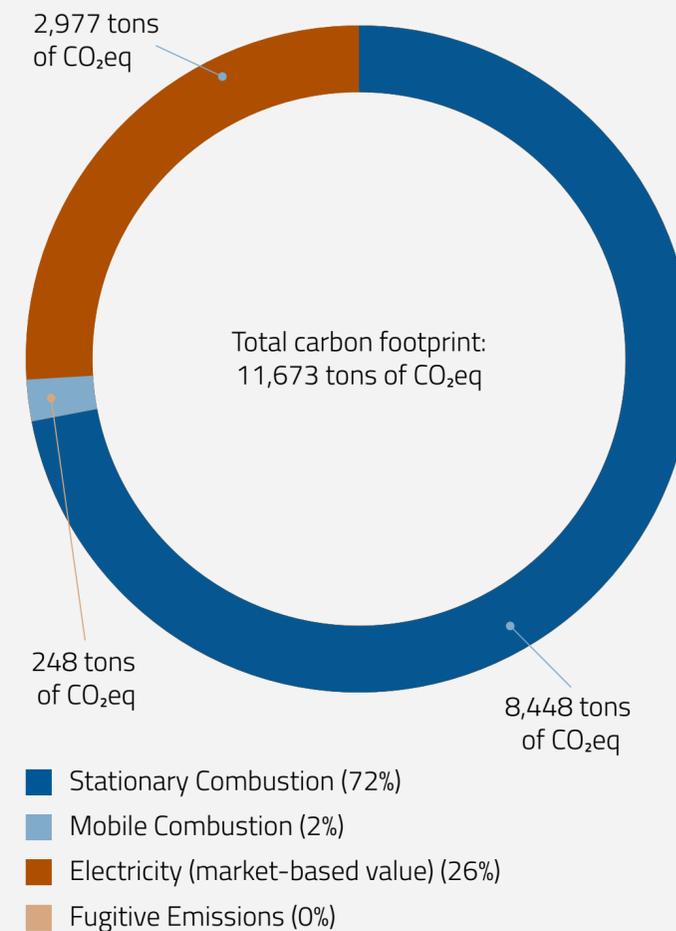
INCREASING ENERGY EFFICIENCY AND MINIMIZING OUR CARBON FOOTPRINT

Lamifil consumed 65,652 MWh of energy in 2023. Our carbon footprint is primarily made up of natural gas, electricity and LPG. Since the start of the EBO program in 2015, we have reduced our CO₂ emissions, improved our processes, and increased the efficiency of cooling, heating, and power generation.

Our strategic goal by 2030

25%
reduction of the Scope 1 and 2 emissions
(compared to 2023)

Carbon footprint Lamifil (Scope 1 and 2)



OUR CARBON FOOTPRINT

In early 2024, Lamifil undertook its first carbon footprint assessment for the year 2023, following the guidelines of the GHG Protocol. Initially, we focused only on our Scope 1 and 2 emissions. Scope 1 encompasses direct emissions from stationary combustion, mobile combustion, and fugitive sources, while Scope 2 refers to the indirect emissions associated with purchased electricity.

For the year 2023, Lamifil's overall carbon footprint stood at 11,673 tons of CO₂eq. Within Scope 1, emissions totaled 8,696 tons of CO₂eq. The largest portion, amounting to 8,448 tons, stemmed from stationary combustion. Lamifil uses natural gas to melt aluminum and copper, which leads to a high natural gas consumption. Mobile combustion, including emissions from company cars and forklifts, accounted for 248 tons of CO₂eq, representing just 2% of our total emissions. Fugitive emissions, such as those from air conditioners or heat pump systems, were negligible in 2023.

Meanwhile, our Scope 2 emissions – from the use of purchased electricity – amounted to 2,977 tons of CO₂eq (market-based value), comprising 26% of our total emissions. Based on the average mix of the Belgian electricity network, our Scope 2 emissions accounted for 2,272 tons of CO₂eq (location-based value).

Building upon this initial assessment, we have established reduction targets for both Scope 1 and 2 emissions, aiming for a 25% decrease by 2030 (compared to 2023). To achieve these targets, Lamifil is exploring various strategies, including transitioning to electric annealing furnaces, adopting sustainable heating systems for buildings, sourcing renewable energy (such as from a green hydrogen grid), securing contracts for 100% green electricity by 2025, greening our company fleet, and replacing LPG-powered forklift trucks with more environmentally friendly alternatives. Additionally, we are setting similar reduction goals for Scope 3 emissions.

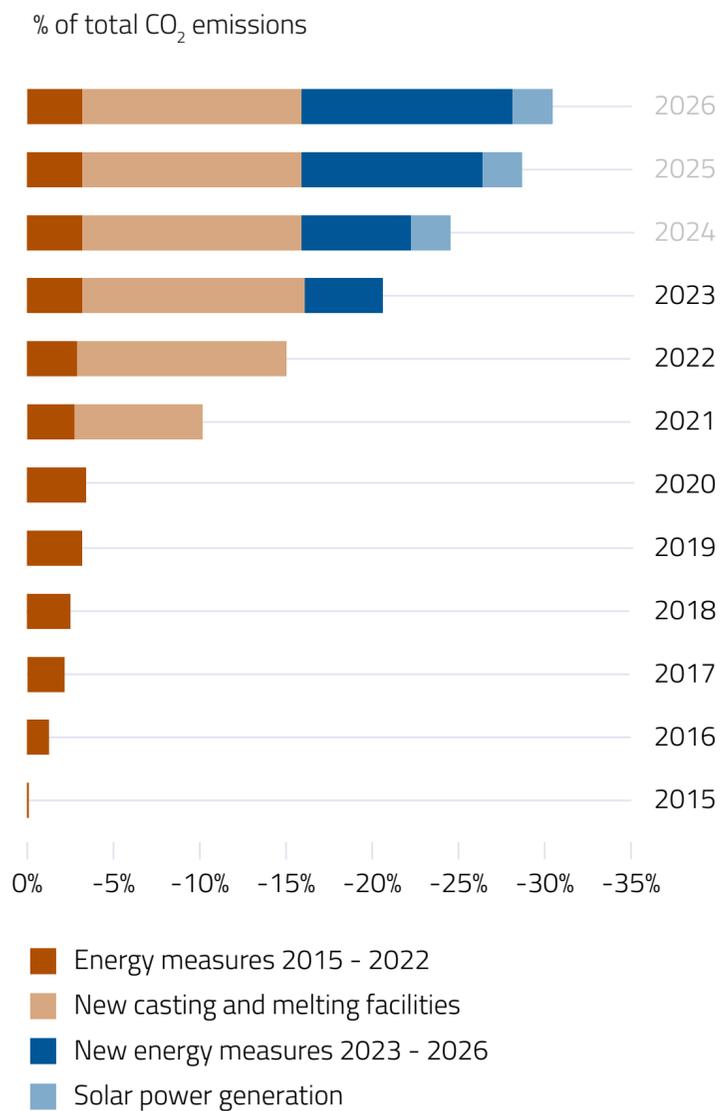
Our aim is to reduce our carbon footprint through technology and innovation. One of our main achievements in this respect has been the introduction of a unique eco-efficient aluminum production process in 2021, with new casting and melting facilities. This allowed us to reduce natural gas consumption for melting aluminum by 25%. It also reduced CO₂ emissions and losses at Lamifil's cast house facilities.

In 2023, we improved the insulation in our casting launders and lids, thus reducing our energy consumption by 5%. We also launched an extensive awareness campaign, in which we urged our employees to avoid overheating, open doors, or unnecessary heating during nights and weekends. This resulted in a 15% energy reduction in our heating systems. In addition, we made the decision to install approximately **2,000 PV panels on the roofs of Lamifil's buildings, with a combined capacity of 1.16 MWp.**

The green solar power generated annually will amount to 1 GWh, providing 5% of the electricity currently needed to power the factory. In the coming years, we plan to continue our efforts. We will modernize the heating systems of our buildings, upgrade our heat treatment furnaces to reduce energy losses, and introduce smart LED lighting to production and storage areas.

By 2026, all our combined improvements will result in a CO₂ reduction of nearly 5,000 tons, or 30% of our total CO₂ emissions (compared to 2014).

Evolution of annual CO₂ reduction





LOWERING GHG EMISSIONS IN THE SUPPLY CHAIN

As of 2026, the EU will gradually reduce the free allowances to the aluminum industry under the European Emissions Trading System (ETS). In order to avoid carbon leakage, the EU is implementing a Carbon Border Adjustment Mechanism (CBAM) to put a fair price on the carbon emitted during the production of aluminum that enters the EU market and to encourage cleaner industrial production in non-EU countries.

Lamifil is aware that, as part of the global aluminum industry, which accounts for 2% of global CO₂ emissions, it has its role to play in the reduction of GHG emissions throughout the entire supply chain. The compulsory reporting of CO₂ emissions under CBAM for each aluminum unit imported since October 2023 will enable Lamifil to obtain a clearer view of the GHG emissions of its sourced aluminum. Since Q4 of 2023, Lamifil has been monitoring all upstream carbon emissions for our aluminum purchases. The aim is to evaluate the impact of our sourcing, define strategies, and enter into partnerships that will allow us to maintain the quality and reliability of the sourcing, while putting pressure on suppliers to offer aluminum at a lower carbon cost.

The market knowledge gained through negotiation and proactive monitoring is shared with our customers to help them understand the challenges and educate the whole supply chain to take responsibility. This means accounting for the cost of upstream GHG emissions in the total cost of ownership and thus favoring green aluminum.

Lamifil has entered into long-term contracts and partnerships with producers of certified green aluminum, and strives to achieve its strategic goal to use 100% green aluminum (footprint < 4 kg CO₂eq/kg aluminum) by 2025.

Our strategic target by 2025

100%
green aluminum

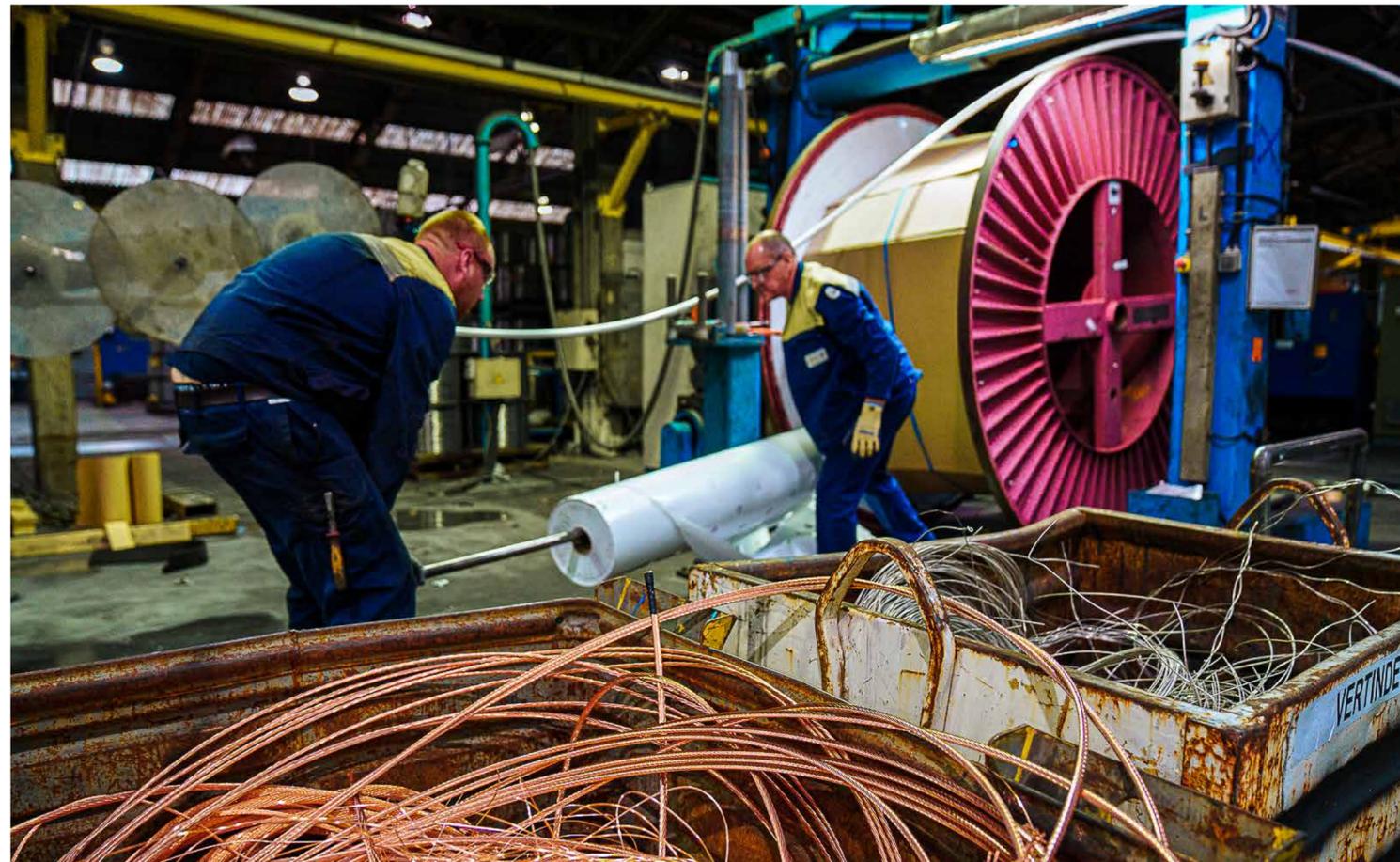
< 4kg CO₂
eq/kg aluminum



MANAGING AND REDUCING EMISSIONS

Lamifil has made significant strides in managing and decreasing its emissions in accordance with local and international regulations. Emission monitoring and control, soil and wastewater treatment, proper usage and disposal of hazardous materials, and innovative solutions to recycling and waste management are among the key measures we take.

We are committed to our strategic target to eliminate formal complaints filed by local residents regarding disturbances caused by Lamifil by 2030. Reducing its environmental impact, Lamifil’s strategic focus mirrors a greater commitment to achieving sustainability in manufacturing operations.



Air

We monitor all our air emission point sources in compliance with local VLAREM regulations using our self-controlled air emission program strategy.

We have carried out a comprehensive monitoring program, measuring every major source via an external accredited laboratory. All measuring ports have been checked for compliance with the local LUC/O/001 standard to guarantee representative measurements.

Shortly after the commissioning of our new aluminum melting and casting facilities in 2023, an engineering study was developed to recover energy from the oven exhaust gases and enhance their purification before emission. This includes real-time monitoring and analysis of 13 components.

Soil

In response to historical contamination, Lamifil has been actively carrying out an on-site program of soil and groundwater remediation for the past 20 years. This program has included, among other things, the installation of a groundwater treatment plant run by a third party, along with an annual comprehensive monitoring program and progress reports submitted to the relevant governmental agencies every two years. Lamifil also participates in the European GREENER project, which is a consortium that studies research methods and sustainable remediation.



Water

In recent years, Belgium has increasingly been hit by dry spells, which have put a strain on the country's ability to supply fresh water. To counter this, Lamifil has been capturing rainwater for use in production since 2010.

We have reduced our freshwater consumption by about 40% since 2015: this is largely thanks to an integrated approach that includes an employee awareness program, innovative work practices, and a rainwater decoupling project for reuse of rainwater in our cooling systems. In addition, we continuously monitor our wastewater flow rate. We arrange for the independent sampling and analysis of our wastewater on a monthly basis.

In 2023, a wastewater treatment plant for heavy metals was successfully installed, using a sand filter, aeration, and an ion resin purification treatment. This investment allows Lamifil to continue to comply with wastewater discharge regulations.



Noise

We ensure that we comply with all applicable noise standards, and respect the boundaries of our immediate neighbors. Lamifil has a noise action plan in place, which will be completed by 2025 and is subject to intermediate evaluation.

As a result of acoustics analysis, we have addressed noise-intensive installations, either by replacing them or reducing noise at the source. We respond to and follow up on any complaints from neighbors, and we are committed to developing new solutions in close collaboration with the community, environmental and municipal authorities, and companies specializing in noise mitigation.

In 2023, a three-dimensional noise map was created to determine the various noise levels, and our neighbors were invited on site to acquaint themselves with our noise action plan.

We conduct regular noise measurements at each workplace throughout the factory to determine maximum noise emissions that our operators are exposed to, as part of our EHS strategy.



Hazardous materials

Lamifil uses certain hazardous chemicals to produce high-quality aluminum, copper, and alloy products. As a result, we are subject to EU REACH regulations that govern the registration, evaluation, authorization, and restriction of these chemicals.

Lamifil continues to reduce chemical-related risks to human health and the environment. We have implemented company-wide work processes to ensure that hazardous goods are properly labeled, stored, handled, and transported. This ongoing effort includes raising employee awareness of potential hazards and ensuring proper handling of all hazardous products.

We ceased production of CuCd alloys in 2023 and replaced them with environmentally friendly materials. Cadmium is now banned from our site.



Waste

In 2023, we centralized our waste management by appointing an internal waste coordinator and drawing up a Total Waste Contract with a single company in charge of transporting and treating both hazardous and non-hazardous waste. Additionally, waste storage infrastructure was improved through proper identification of the various waste stream disposals, establishment of well-equipped hazardous waste storage areas, and implementation of new garbage bins for adequate waste sorting in accordance with the local VLAREMA 9 regulation. Together with our external partner, we work to turn various waste streams into value streams for recycling.



CIRCULAR APPROACH

We support a circular approach to product development and manufacturing. This is not only reflected in the design of our products, but also in the way that we support mechanisms to **reuse and recycle materials throughout the product cycle**.

We are extremely conscious of the fact that the earth's resources are limited and therefore we relentlessly seek to further optimize in this field. Aluminum is 100% recyclable, and its scrap and product waste can be easily recovered for reuse in production. We continuously look for partners, experts, and universities to overcome the challenge to use recycled aluminum for electrical applications whilst retaining, at minimum, the conductivity achieved with virgin aluminum.

Lamifil reuses 100% of its own production scrap. For our copper and copper alloy production scrap, we work together with a copper recycling specialist, who in turn supplies copper wire rod to Lamifil and other parties. Our strategic goal is to ensure that by the year 2030, half of the total copper we use is sourced from recycled materials.

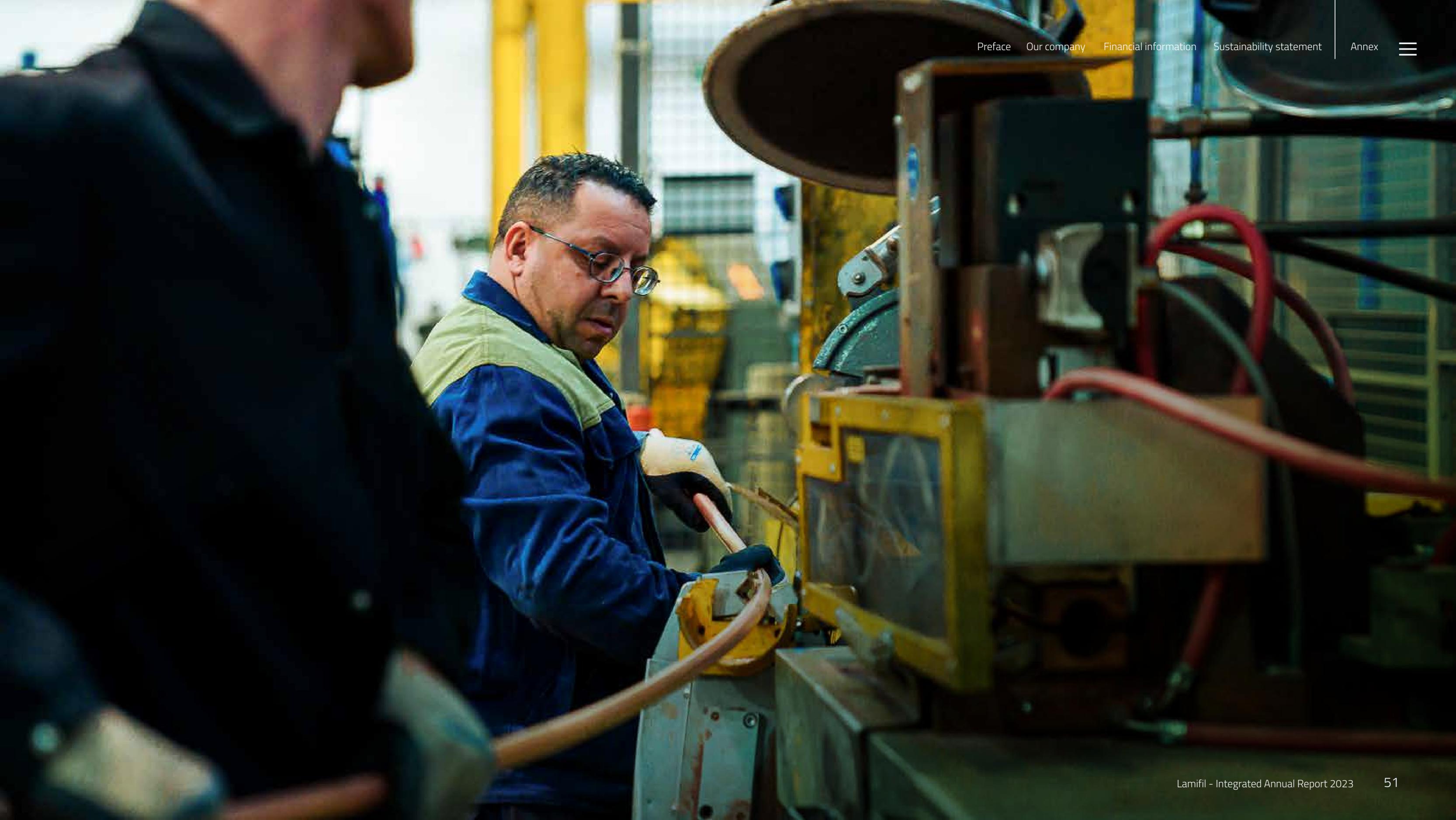
Lamifil reuses 100% of its production scrap

We work together with our customers to determine the most efficient and environmentally friendly packaging solutions. Efficient packaging reduces weight, volume, and transportation impacts. The drums we use at present are constructed from either FSC-certified wood or steel, and they are reused to the greatest extent possible, largely due to our return policy. Many of our customers who use proprietary packaging follow the same principle. Our aim is to maximize the use of reusable steel drums.

(11) EBO program: the Energy Policy Agreements as introduced by the Flemish Government in 2014 to establish sustainable energy efficiency for industrial companies in Flanders. <https://ebo-vlaanderen.be/nl>

Our strategic target by 2030

50%
use of recycled copper



CONNECTING WITH OUR PEOPLE

by increasing well-being and safety

At Lamifil, our employees are the core focus. We prioritize their health, safety and well-being, and we promote diversity and inclusion in a working environment that encourages personal and professional growth.

To develop a strong safety and well-being culture, we have drawn up an action plan which revolves around machine safety, employee training, and a proactive approach. We facilitate balanced training programs and take steps to enhance stakeholder engagement.

To ensure customers' safety, our products adhere to strict safety measures, ensuring secure transport, installation, and use. Moreover, we embed respect for human rights and healthy working conditions in all our supplier agreements, thus taking responsibility throughout our value chain.

Our goals

- Increase the well-being and safety of our employees
- Offer equal and fair employment and opportunities to grow

Our contribution to the SDGs



Our strategic targets

- Lost Time Injury Frequency Rate (LTIFR) lower than 20 by 2025
- Lost Time Injury Severity Rate (LTISR) lower than 1 by 2025
- Zero work-related accidents by 2030
- Voluntary Employee Turnover Rate less than 4% for white-collar workers by 2025
- Voluntary Employee Turnover Rate less than 5% for blue-collar workers by 2025
- Ensure there are no formal complaints filed by local residents regarding disturbances related to the environment and mobility caused by Lamifil by 2025





HUMAN FOCUS AS THE KEY TO SUSTAINABLE PROGRESS

A people-focused workplace is all about creating a positive and productive work environment. To achieve our goals, mission, and vision, we promote a company culture that prioritizes people and values diversity. The safety and well-being of our employees are critical to this: **our goal is to enable our employees to perform at their best in a safe environment, achieving good results while remaining healthy and motivated.** We want to work together to attract, develop, and retain talent.

As an industrial manufacturing company, the **safety and well-being of our employees is central** to everything we do. We invest in a long-term action plan to develop a solid safety and well-being culture. This includes physical safety, awareness, and various kinds of accident, incident, and risk management. We also focus on leadership, communication, and teamwork. By engaging with our employees and committing to a common purpose, we are moving toward a truly sustainable company.

Our goal is to enable our employees to perform at their best in a safe environment, achieving good results while remaining healthy and motivated





SUSTAINABLE SAFETY AND WELL-BEING

Integral to our approach

Safety has always been – and will continue to be – our top priority. Together with our employees, we have developed a clear vision, goals, and actions that have been incorporated into a long-term plan as a prerequisite for taking our company into the future.

Three policy spearheads, each with specific objectives and actions, have been developed with the aim of achieving our safety and well-being objectives: **machine safety, continuous training and follow-up for our employees, and a proactive safety culture in the workplace.**

Thanks to our integrated approach comprising strategic and operational measures, **we have been able to further improve our key safety metrics**, including the frequency (Lost Time Injury Frequency Rate - LTIFR) and severity (Lost Time Injury Severity Rate – LTISR) of workplace accidents. Concretely, we were able to reduce our LTIFR in 2023 by 36% compared to 2022. This **encouraging trend** is the result of ongoing efforts that the organization has made to create a proactive safety culture and take safety measures. By 2025, our strategic target is to achieve a LTIFR lower than 20 and a LTISR lower than 1.

Our Lost Time Injury Frequency Rate dropped by 36% compared to 2022 which is very encouraging in view of our long-term goal: striving for zero

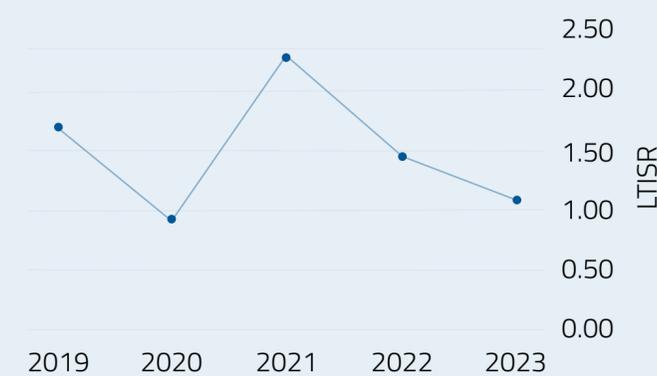
Chris Martens
Chief Operations Officer

Lost Time Injury Frequency Rate (LTIFR)



$$[\text{number of lost time injuries in the reporting period}] \times 1,000 / [\text{total hours worked in the reporting period}]$$

Lost Time Injury Severity Rate (LTISR)



$$[\text{total lost days in the reporting period}] / [\text{number of lost time injuries in the reporting period}]$$



Machine safety

Lamifil considers worker safety and adherence to current machine safety regulations critical to a safe workplace environment. An external machine safety consultant examines all of our equipment, leading to Risk Inventories and Evaluations (RIE) that specify required actions. These recommendations serve as the foundation for long-term investment plans.

In 2023, we realized a number of **significant upgrades in line with our commitment to machine safety**. The major achievements from this perspective include reinforcement of the access sliding doors to the rolling mill with safety locks, numerous upgrades of machinery within the aluminum rolling mill through the installation of safety fences and safety contacts, and the addition of safety fences to fast-turning parts.

Continuous training and follow-up of our employees

It is crucial that all of our **employees receive thorough training** in the tasks they are expected to perform so that they can be carried out safely, with the aim of reducing the frequency and severity of labor-related accidents. It is essential that employees are aware of the risks associated with the machinery they use. Ongoing EHS initiatives have been optimized and new actions have been taken in 2023 by Lamifil on the roadmap to zero accidents:

- **The EHS safety video**, along with the emergency protocol that is in effect on our site, outlines the primary risks associated with Lamifil activities. Visitors, external contractors' employees, and truck drivers who load and unload goods at our premises can all access this video. Before entering our site, everyone must attest to having watched the safety video.
- Every workplace has a **risk board** that lists the existing risks, the necessary Personal Protective Equipment (PPE), and possible emergency scenarios. New hires begin their training at the risk board of the workplace to which they have been assigned.
- Every new employee receives a **to-do list training** from an experienced employee at the designated workplace. Depending on the skills and motivation of the new hire, this training may take up to several months. In this setting, new hires will gain knowledge via on-the-job training, the undertaking of written procedures and instructions, and operational tips and tricks from seasoned operators.
- Mandatory **toolboxes** are organized on a monthly basis on **safety-, environment-, and production-**related topics. Registration and a Performance Indicator (PI) are used to track implementation.
- To ensure that new hires / employees possess the requisite skills prior to operating work equipment, we provide **external training** on the operation of specific machinery, such as overhead cranes, aerial platforms, and forklifts. In this regard, Lamifil has a framework agreement, negotiated on an annual basis, with a licensed company.



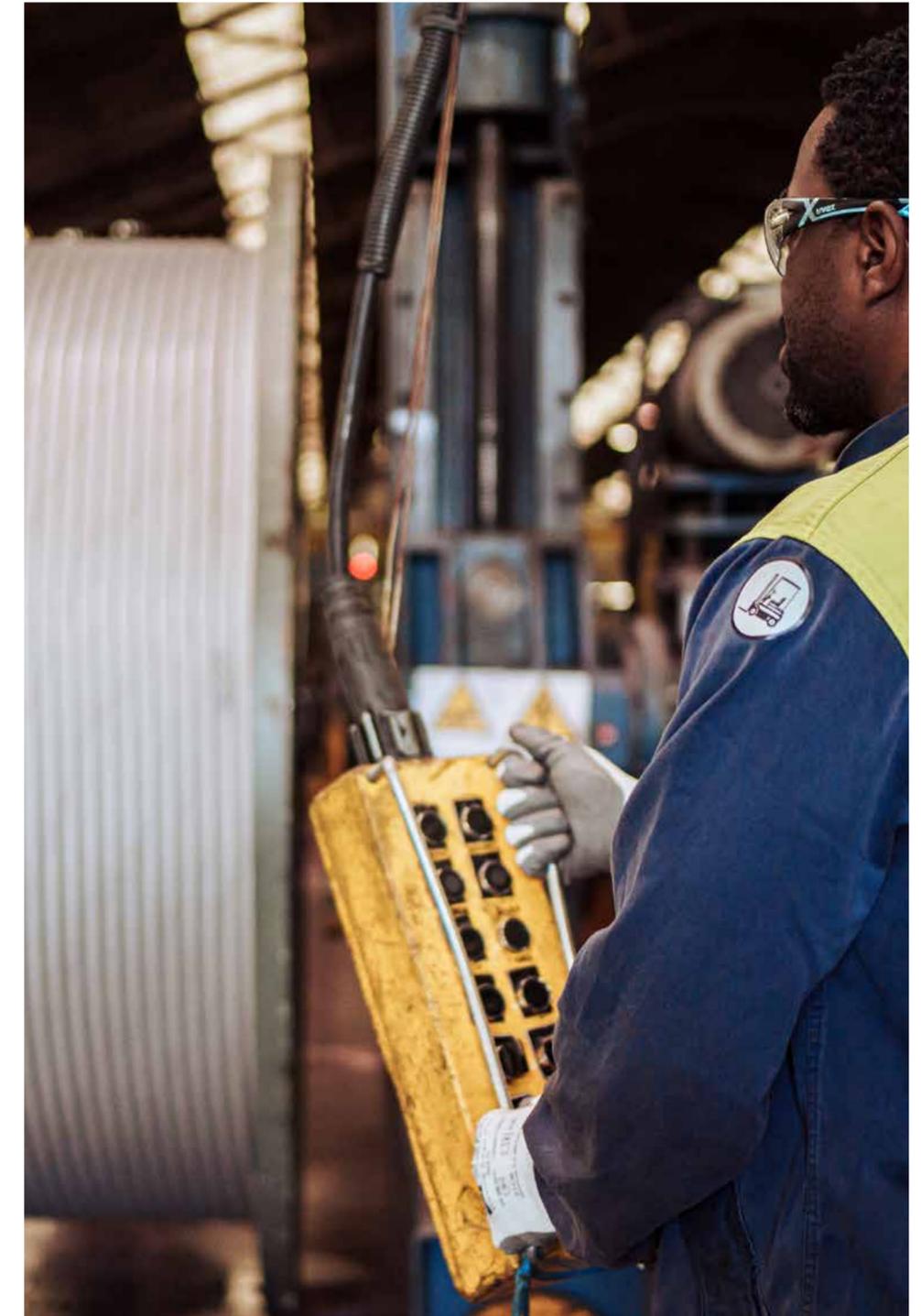


Toward a proactive safety culture at the workplace

A proactive safety culture is created through a range of strategies and tactics, including quarterly safety campaigns, risk training for foremen, safety posters, a zero-tolerance policy regarding inappropriate use of PPE and phones at work, management-led workplace observations, improvements to PPE provision, psychosocial surveys, monthly safety discussions with unions, and weekly safety meetings with production managers.

We understand that creating a truly proactive safety culture will take time. To alter people’s mindset, we intensify our efforts to raise awareness of risks and potential dangers.

Everyone’s conduct is critical to the effectiveness of Lamifil’s safety strategy. We clearly communicate our expectations in terms of behavior and identify areas for improvement. We do this by upholding standards consistent with the values of our business.





RESHAPING OUR INTERVENTION TEAM

We reorganized our intervention team in 2023, designating an intervention leader at the same time. We also formed a DIP (Digital Intervention Plan) in cooperation with the local fire department. This plan includes all the digital information required to maximize the efficiency of each response by the fire department. Bio-foam was also introduced as standard for all foam extinguishing equipment. Our in-house intervention squad has been trained to handle minor fires, and detailed procedures are in place to rapidly get assistance from local fire departments in the event of major fire incidents.

An integrated approach

All our activities and measures concerning health, safety, and well-being are governed by our overall **EHSQ** (Environment, Health, Safety and Quality) **Management System**. We have implemented and continue to operate this system according to the international standards **ISO45001, ISO9001, ISO14001**. Our EHS department coordinates all activities related to the mitigation of factors that are harmful or pose a danger to the physical and mental health and well-being of our employees.

Our employees are involved in the definition and implementation of our safety policy. We rely on a special Committee on Prevention and Protection at Work (CPBW), which includes employer and employee representation, to support their participation and input. In addition to the CPBW, a number of active steering committees oversee particular projects and programs related to health and safety, reporting back to the management team. We continuously assess and monitor our progress, guided by the Global Prevention Plan 2022–2026 and our Year Action Plan 2024.

Health and safety measures for customers and contractors

We extend our health and safety efforts not only to our employees, but also to our customers and business partners. All our products are designed and manufactured according to high-level safety measures, which, along with the detailed handling instructions provided, ensures that they can be transported, installed, and utilized effectively and safely. We have also established a variety of **services** to support our range of finished products, including our premium overhead conductors.

We have developed a framework for **safe collaboration with our partners and project contractors** on our production site, including a Safety Contractor Checklist and a Contractors Health and Safety Assessment Scheme. Outside our premises, we provide theoretical and practical installation training for rigging crews on features specific to HTLS conductors. During installation, our experts remain present on site to advise on specific installation procedures applicable to our product.

NURTURING LOCAL TALENT FOR 95 YEARS

We have always cherished and fostered a company culture of **commitment and connectedness** throughout our 95 years of business, understanding that we can achieve much more as a team. With our headquarters located in Hemiksem, we are among the biggest employers in the area. We have much to offer to individuals from different backgrounds, whether they are over 50, highly educated, have recently started their careers, or simply have a knack for creativity and technology.

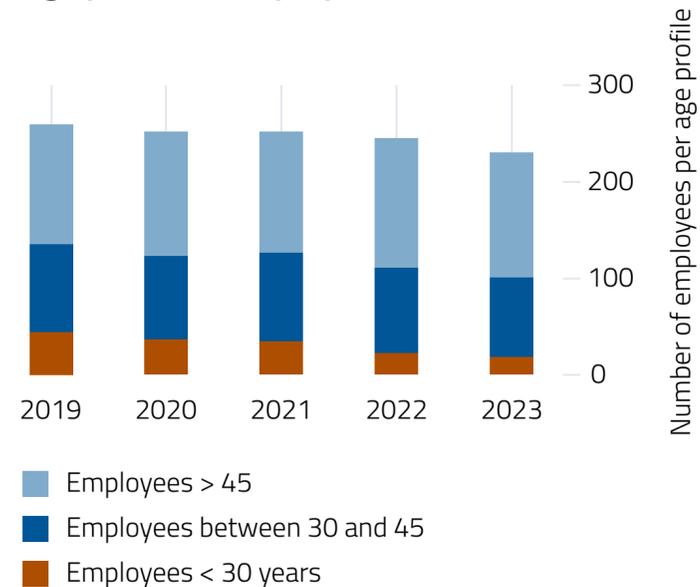
We provide our employees with a flexible work environment that allows them to maintain a healthy work-life balance, in addition to plenty of opportunities for learning and advancement. This is reflected in the **average tenure of 12 years** and the current annual retention rate.

Every employee on our payroll has a permanent contract. Over the previous five years, we had an average retention rate of 91% and a voluntary employee turnover rate of 7%.

91%
employee retention rate in 2023

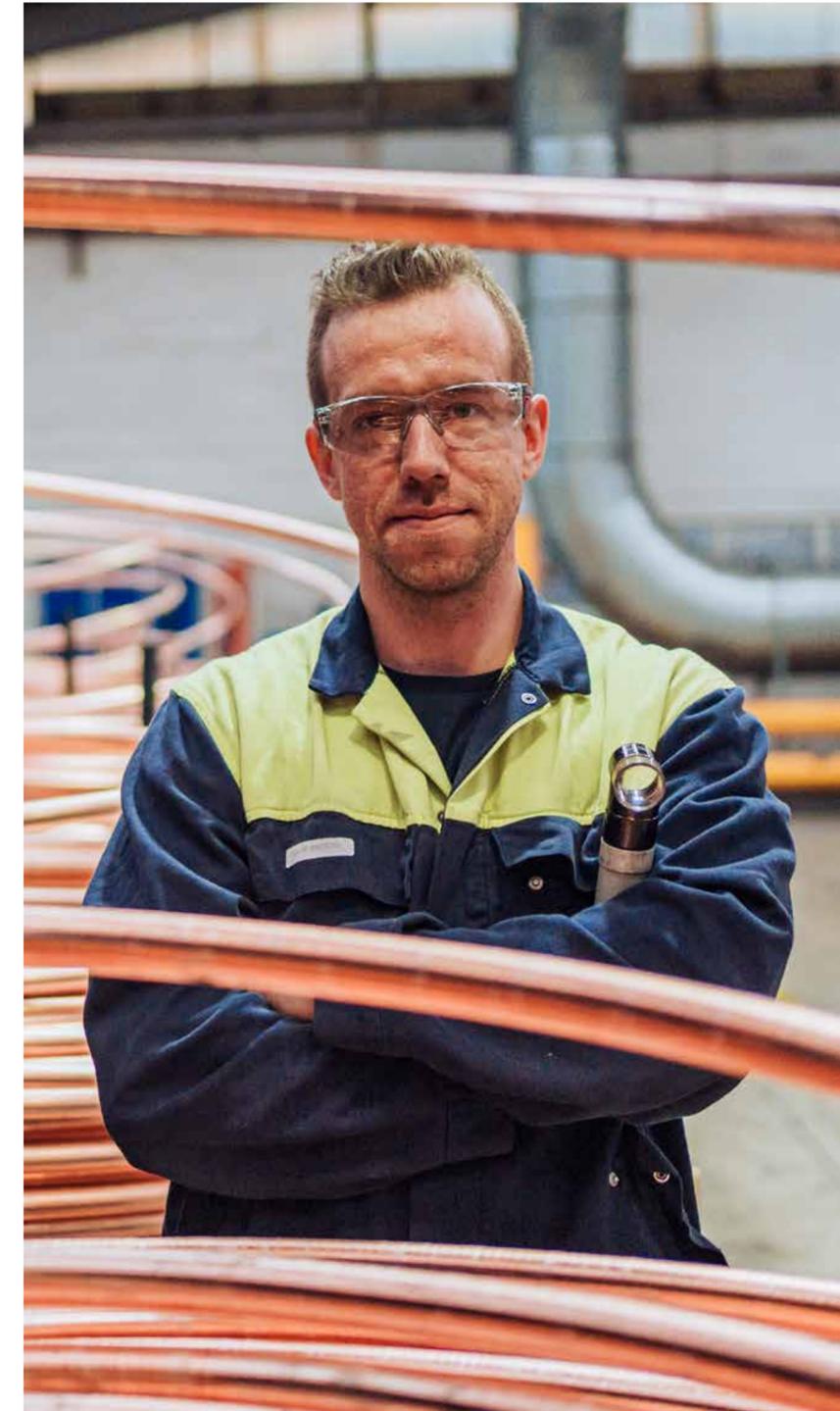
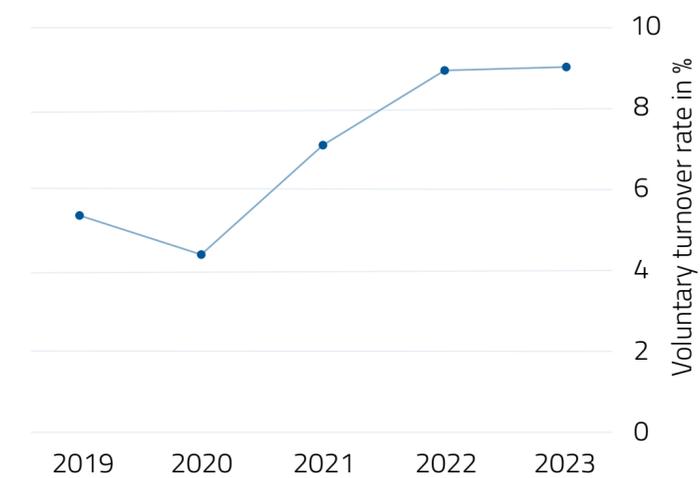
It is our strategic target to reach a voluntary employee turnover rate of 4% for white collar workers and 5% for blue collar workers by 2025. In the post-pandemic years, we have seen a decrease in our under-30 employee share, largely due to a higher outflow of younger employees, and an increase in our voluntary employee turnover rate. Exit interviews indicated that leaving reasons include the uncertain post-pandemic outlook, alternative career opportunities, and some mobility issues. We take this trend to heart and commit to not only attracting new talent but also providing our current employees with opportunities for growth and development within our company.

Age profile of employees - evolution



Therefore, Lamifil has also actively participated in local job initiatives in collaboration with Hemiksem’s local community, public employment services, the local school community, and key local employers, with the aim of drawing attention to and supporting the sustainable aspects of working in the local area, such as less traffic congestion, greater soft mobility, and a healthy work-life balance.

Voluntary employee turnover rate as % of all employees





A POLICY FOCUSED ON WELL-BEING, RESPECT, AND INCLUSION

Our policy places just as much emphasis on the **physical and mental health** of our personnel as it does on prevention, risk management, and machine safety. In 2023, we conducted a **global risk analysis** for mental and physical health in collaboration with our external preventative service provider, Mensura, with a participation rate of 71%. We included several well-being indicators, such as motivation, stress, work-life balance, turnover, and absenteeism, in a questionnaire that all of our workers were requested to complete voluntarily and anonymously. The survey also probed the prevalence of aggressiveness, bullying, unwanted sexual behavior, and discrimination.

A number of peer groups, made up of randomly selected employees, convened to discuss the survey results. An action plan will be implemented in 2024. To ensure its success, but also to monitor and, if necessary, modify it, we have established a steering committee. This committee includes representation from the unions, HR, operations management, and the prevention adviser.

Our HR policy complies with local government and collective labor agreements, as well as recommendations as defined by the International Labor Organization. Lamifil is committed to protecting human rights and privacy. We treat each and every individual with **respect**, regardless of their social, cultural, or religious background or preference, race, opinion, gender, or sexual orientation.

We select and employ people to fulfill roles within our organization solely on the basis of their **skills, competencies, and attitudes**. All our employees commit to our guidelines, procedures, and regulations as outlined in our Code of Conduct, which they receive and agree to upon starting employment with Lamifil.

Empowering connections through workplace diversity

Here at Lamifil, we have not only been forging technology, innovation, and skill into breakthrough products since our early beginnings nearly a century ago. As a genuine melting pot, we have also consistently forged a team of people with different nationalities, cultural backgrounds, ages, beliefs, and genders who work toward the same objective: Bringing connections to life.

Today, we employ **230 people** in Belgium, representing **13 different nationalities**. While our production activity is predominantly staffed by males, women hold 33% of key leadership roles at present.



LAMIFIL STANDS FOR DIVERSITY, INCLUSION, AND EQUITY



Lamifil is not only committed to women once they enter the metal industry; we actively support girls on their study paths and in their career choices. I am happy to play my part in this as an ambassador and role model

Elisabeth Wollny
Business Development Manager



The representation of women in fields such as manufacturing, engineering, and technology is still insufficient, due to a variety of barriers. Lamifil makes major efforts to overcome these, in an attempt to create equal opportunities, improve the visibility of female employees, and generate interest among women for roles in the metallurgical field. Every year, we hold an internal business conference on International Women’s Day (March 8th) to discuss topics relating to gender diversity and inclusion, and generate new ideas for addressing challenges.

In 2023, Lamifil took an active role in *Da’s Geniaal*, a remarkable initiative that encourages young people – and in particular girls aged 10 to 14 – to engage in STEM fields by

making the subjects more accessible and appealing through social media challenges, facts, and practical advice. Elisabeth Wollny, one of our colleagues, was chosen as our company’s project ambassador, taking part in a highly engaging TikTok challenge video explaining how ‘alloys of chocolate’ are made.

Furthermore, Lamifil has also joined Women4Metals, a women’s empowerment initiative in the metals industry. This network aims to attract more women to the industry, fill more key positions with women, mentor women on their career paths, and place a greater emphasis on the female perspective within the metal industry’s development.

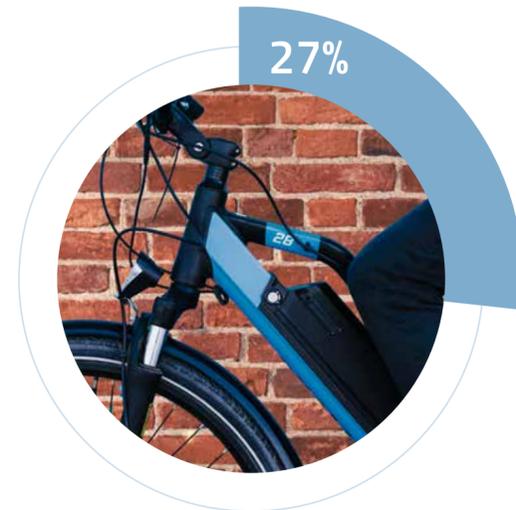


FROM BICYCLE LEASING TO ELECTRIC CARS

Increasing traffic and pollution levels pose enormous challenges to our planet. Lamifil has committed itself to implementing sustainable mobility as part of our strategy. To this end, and at the request of our employees, we implemented a bicycle leasing program in 2019, with the number of employees who opt to lease bicycles growing each year. At present, **more than one in four employees leases** a bicycle through Lamifil. In case of e-bikes, employees can charge their electric bicycle for free on the company's premises.

Lamifil is also gradually making its car fleet more environmentally friendly. From June 2023, we have begun to exclusively offer **electric company cars**. We have invested in our **own charging infrastructure**, and at present have eight 11kW charging outlets. All Lamifil personnel are able to use this infrastructure at an extremely affordable price; when charging their cars at Lamifil, employees can save up to 30% compared to at-home installations.

Employees using bicycle lease plan



PROMOTING ENGAGEMENT THROUGH COMMUNICATION

Communication and interaction are crucial to connecting with one another. Therefore, we have put in place a number of key systems and procedures that promote involvement and communication among our internal stakeholders. To improve the efficiency of our event and communication efforts, the corporate communication function underwent a phase of greater formalization and centralization in 2023. Weekly, biweekly, and monthly (inter)departmental and team meetings, as well as quarterly town hall meetings, provide our entire workforce with regular updates from the CEO and management on corporate strategy and major initiatives.





More than ever, we focus on attracting, developing, and engaging talent. This involves various strategies, including opportunities for professional growth and fostering a culture of innovation and collaboration

Myriam Blaton,
Chief Human Resources Officer

FOSTERING TALENT, LEADERSHIP, AND EXPERTISE

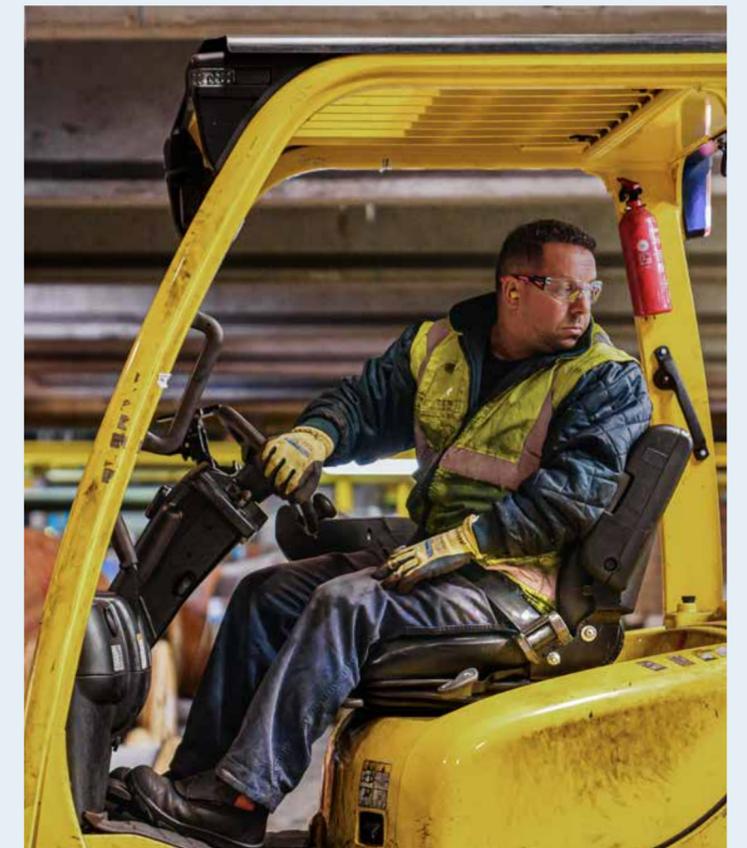
Our workforce lies at the heart of our business. Our ability to succeed depends on our workers' ability to grow, both personally and professionally. Our HR plans place a strong emphasis on developing leadership and creating well-balanced training programs that take both the advancement of technical skills and individual growth into account. In 2023, we brought on board a senior HR business partner who specializes in assisting companies with leadership development and the implementation of talent programs. On average, our staff members dedicated **68 hours to formal and informal training throughout 2023**. We will maintain our efforts to optimally train our staff in the future. By doing this, we significantly exceed the legal minimum which was defined in the New Labor Deal of the Flemish government.

Remuneration and benefits

Lamifil considers itself a fair and desirable employer – offering a competitive remuneration package in line with market standards and including attractive fringe benefits – and strives to maintain this position. In addition to competitive, transparent, and fair wages that are not subject to disciplinary deductions, our employees receive a wide range of benefits. These include healthcare and pension plans, labor accident disability coverage, paid leave, bicycle leasing, meal and gift vouchers, extra days off based on tenure, and company festivities including a Family Day and the Saint Eligius celebration. In addition, employees can directly benefit from the company's success through a ROCE (Return on Capital Employed) bonus which is dependent on the financial results of the previous financial year and approval of the Board.

A voice within our company

We consider continuous dialogue with our employees to be of immense value: Employees can provide feedback and input through both informal and formal channels within our organization directly and at any time. They are represented by delegates through the Works Council, **the Committee for Prevention and Protection at Work, and the trade union delegation.**





Human rights and labor conditions

Lamifil upholds the human rights of all individuals with whom it does business and engages in recruitment and employment procedures and practices regardless of culture or background. We urge both our customers and business partners to follow suit. The integration of respect for human rights and healthy labor conditions into all our supplier agreements is a core component of Lamifil's ESG strategy.

We make no distinction between people based on age, ethnicity, gender, color, religion, sexual orientation, or political belief. We provide the tools and consulting bodies necessary to ensure the freedom of association and the right to engage in collective bargaining, and we comply with all legal obligations in this regard. Overtime regulations are set forth in a collective labor agreement and governed by law.

It should go without saying that Lamifil does not tolerate child or forced labor, corporal punishment, mental or physical coercion, or verbal abuse. We strictly follow Belgian legislation with regard to discrimination and sexual harassment, and fully endeavor to detect and prevent infringements.

Honest commercial practices

Lamifil is known for its high-quality products and flexible services. We strive to consistently deliver these products and services to (or beyond) the standards that were agreed upon.

We never conduct business that may violate competition or antitrust laws, or damage our competitors' reputations or disrupt their business relationships. Our employees are monitored on conflicts of interests with our customers, business partners, other employees, or third parties. Our target is to train employees active in commercial, purchase, or management activities in honest business practices starting in 2024. We apply a four-eye principle for all orders and payments in our company.



CONNECTING WITH SOCIETY

as a corporate citizen

As a major employer in Hemiksem, Lamifil embraces its community role. We actively collaborate with local companies, residents, and authorities to address issues like noise. We also prioritize strong relationships with our stakeholders and support local organizations and initiatives.

To enhance our sustainable nature, we commit to ethical business practices and ESG principles. We uphold all measures and protocols to ensure sustainability along the value chain, and we extend this expectation to our suppliers. By adhering strictly to all laws and regulations, we safeguard against corruption and preserve our reputation. As a responsible corporate citizen, we focus on local employment, environmental care, and minimizing disruptions. Open dialogue is maintained with all stakeholders to foster positive engagement.

Our goals

- Respecting and supporting our local neighborhood
- Contributing to a better society as a responsible corporate citizen
- Upholding ethical business practices and good corporate governance

Our contribution to the SDGs



Our strategic targets

- 80% of European suppliers (= suppliers that account for 80% of the procurement volume) are screened on ESG criteria by 2027
- 100% of critical non-European suppliers are screened on ESG criteria by 2027





NURTURING OUR DEEP-ROOTED LOCAL LEGACY

Despite our global reach, we have remained firmly rooted in Hemiksem, Belgium, for over 95 years. We accept the responsibilities that come with our local presence: We value this **enduring local heritage** and continue to contribute to its narrative. In line with this, being a responsible corporate citizen and retaining our local roots are critical to our future strategies.

In this era of globalization and digitalization, our operational sphere stretches far beyond the confines of our premises and immediate surroundings. We want to maintain an **open dialogue** with all stakeholders, whether employees, members of the local community, or entities with whom we conduct business on an international scale.

Approximately 80% of our workforce lives within cycling distance of our production site

RESPECTING OUR COMMUNITY

Ever since the dawn of the 20th century, Lamifil's production facilities have been an integral part of the Hemiksem community. The legacy of having generations growing up with Lamifil as a neighbor is one that we do not take lightly. This longstanding bond motivates us to **minimize any risk of disturbing or burdening the local environment**. Our commitment to this is on par with our efforts to create sustainable products through eco-efficient methods and the fostering of a culture of safety and wellness among our employees.

Earlier in this report, we shed light on our strategies and measures to mitigate and reduce any air, soil, water, or noise emissions that might affect our immediate neighborhood. We pledge to proactively keep our community updated about our activities and developments through both direct communication and interactions with the municipal administration. A key event in this respect is the annual community meeting organized by Lamifil. We ensure that all inquiries and complaints are efficiently managed and pursued through a dedicated contact point and reporting mechanism. By 2025, Lamifil's aim is to achieve a tally of zero registered complaints from within our local community.

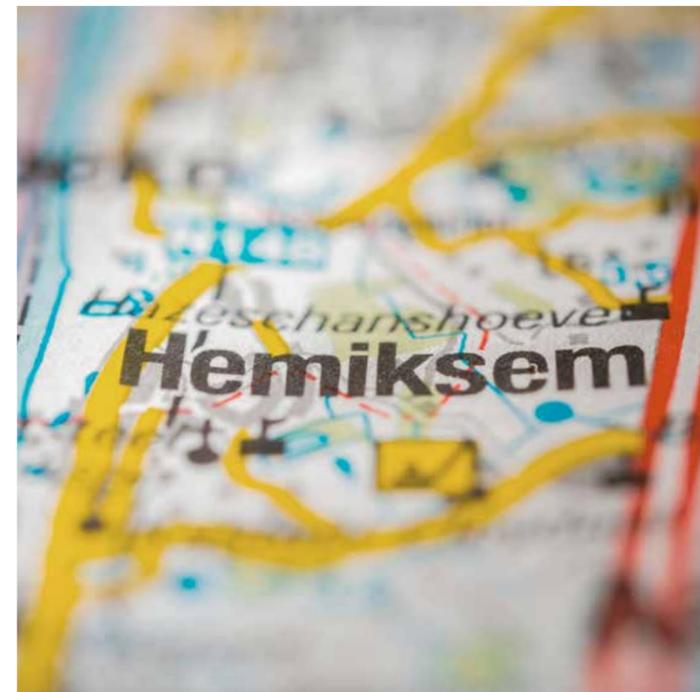
CULTIVATING OUR ROOTS AND LOCAL ENGAGEMENT

Our longstanding commitment to integration into the local community can be seen through our consistent strategic and operational investments in our production facilities. These investments not only enhance our competitive edge and strengthen our market position, but have also generated employment for 230 people in diverse roles ranging from operators, lab and other technical professionals, and engineers to commercial and administrative talent.

Approximately 80% of our employees live within cycling distance of our site. Our primary objective and strategy remains sustaining local employment and fortifying our team

with budding and seasoned professionals from the region, at the same time reinforcing our position as one of the largest local employers.

In Hemiksem, Lamifil has long been a household name. Since our inception in 1929, our company and our employees alike have added vibrancy to community life, introducing new elements to local folklore and coloring the social sphere. Despite the changing social and occupational habits over the decades, our commitment to engaging with the local community has remained steadfast. We continue to support and sponsor a range of local activities centered around sports, cultural events, and charitable causes.





OVERVIEW OF LOCAL SPONSORSHIP ACTIVITIES

Public services	Hemiksem fire department
Sports	VIGE Antwerpen vzw
	Hellvoc volleyball team
	Schelle Sport soccer team
	Oxford soccer team
	Hemiksem gymnastics team
Culture	Harmonie Verenigde Vrienden (music)
	Gilliot & Roelants tile museum
Charity	Hondenboot Antwerpen vzw
	Tochtgenoten vzw

LAMIFIL SUPPORTS ADAPTIVE SPORTS: A GLIMPSE INTO THE WORLD OF SHOWDOWN AND GOALBALL

In a fusion of charity and the celebration of competitive spirit, Lamifil showed its commitment to inclusivity by sponsoring a unique sports event organized by VIGE Antwerpen vzw – a sports association for the blind and visually impaired – to commemorate their 60th anniversary. Held on October 28, 2023, a special tournament showcased the exciting sports of Showdown and Goalball, introducing participants and spectators alike to an often-unexplored world.

Showdown – best described as a mix of air hockey and table tennis – grabbed the spotlight at VIGE Antwerpen’s event. It is an exciting sport demanding agility, quick thinking and strategy, creating a fantastic visual spectacle. Players, regardless of their visual capabilities, use sound-emitting balls, special bats, and blindfolds to engage in the game on a specially designed wooden table, leveling the playing field for all.

Lamifil met with Liam and Tinneke – two of the tournament’s players and VIGE Antwerpen members – before the event, to learn what drives their devotion to Showdown. Young Liam’s immersion in Showdown really transformed his life and molded him into a motivated player. His father has crafted a smaller Showdown table for at-home practice, which testifies to the significant impact of the sport on Liam’s life. Similarly, for Tinneke, the sport introduced new experiences and opportunities, like participating in international tournaments. She expanded her horizons and she was able to build strong friendships and connections with people sharing a similar visual challenge.

However, this international tournament of Showdown and Goalball didn’t only aim to celebrate the overlapping worlds of sport and visual impairment, but also to showcase the sports to others. It was an opportunity for people to engage, establish lasting



Tinneke and Liam - two of the tournament’s players and VIGE Antwerpen members

connections, and familiarize themselves with the basics of the remarkable world of adaptative sports. VIGE Antwerpen’s event served as a platform to foster awareness while creating an exhilarating experience for its participants, introducing a broader audience to the sports.

As Lamifil cheered for Liam, Tinneke, and every participant, it was heartening to see that our sponsorship helped enable exceptional, inclusive experiences connecting people and making a lasting impression on all involved.



MAINTAINING A GLOBAL PRESENCE, FORGING LOCAL CONNECTIONS



With over 95% of our products leaving our borders and going to more than 75 countries worldwide, Lamifil takes immense pride in being a global representative of Flanders and Belgium. We aim to shape a future where technology and innovation help create welfare and well-being. To broaden our perspective and foster an in-depth dialogue on sustainable development and innovation, we actively pursue collaborations with economic counterparts, policymakers, and other stakeholders through various platforms and associations.

As an active member of the Union of Industrial Companies Hemiksem (VIBH), Lamifil comes together with 28 other local enterprises to stand as the largest economic activity bloc within our community and liaise with the local municipal administration. Our affiliation with the Flanders Chamber of Commerce and Industry (Voka) links us to an expansive network of over 18,000 regional enterprises, which collectively represent two-thirds of employment positions in the private sector, and contribute 70% of the added value within Flanders and Brussels. Additionally, through our membership of Agoria, Belgium’s national technology federation, we are able to leverage industry-specific knowledge and networking expertise to even further refine our strategic approach and policies.

OVERVIEW OF OUR STAKEHOLDER ENGAGEMENT APPROACH

Lamifil maintains relationships with a wide range of stakeholders, including our own staff members, private investors, governmental bodies and agencies, civil society organizations, customers, and partners. Our corporate management team and communications department oversee our stakeholder approach.

Our primary initiatives, methods of communication with our primary stakeholders, and the frequency of these are listed in the table to the right:

Stakeholders	Means/channels of engagement	Frequency
Employees <i>Management, employees, unions</i>	Town hall meetings	Quarterly/ad hoc
	Events	Regular
	Performance management	Regular
	Intranet platform and (digital) displays	Continuous
	Internal newspaper	Quarterly
	Well-being/safety survey	Every 5 years
	Works council	Monthly
	CPBW (Committee for Prevention and Protection at Work)	Monthly
Customers	Customer satisfaction survey	Annually
	E-newsletters	Regular
	Social media	Regular
	Market research	Ad hoc
	Direct engagement	Continuous
	Trade fairs	Regular
Society <i>Media, NGOs, community organizations, academia, interest groups, industry</i>	Sponsorships (sports, culture, charity)	Regular
	Association membership and participation	Continuous
	Direct engagement	Continuous
	Press communication	Regular
	Neighborhood committee	Annually
	Website & social media	Continuous
Shareholders	General Assembly	Annually
Partners <i>Suppliers, contractors, financial institutions</i>	Direct engagement	Continuous
	Supplier evaluation	Annually/ad hoc
	Industry events & forums	Regular
Industry organizations & regulators	Meetings & briefings	Regular
	ISO inspections	Annually
	ISO audits	According to ISO requirements
	Direct engagement	Continuous
Public & local authorities <i>National & Flemish government/ Mayor & city council (Hemiksem)</i>	Industry and trade organizations/ Direct engagement	Regular/ ad hoc



ETHICAL BUSINESS PRACTICE

Our reputation, as well as essentially being our license to operate, is the key to running a sustainable business. As a company, we strive to practice and uphold the highest ethical standards and levels of integrity, while strictly adhering to laws and regulations. Our mission, vision, and company values all reflect our commitment to sustainable ethical behavior.

Our formal ethical policy is based on Flemish, Belgian and European legislation. Lamifil has integrated all required actions into a management system that continuously oversees policy compliance. Every employee is expected to familiarize themselves with our ethical policy and code, and to adhere to them.

Anti-corruption and bribery

Lamifil has a zero-tolerance anti-corruption and anti-bribery policy in place. Employees of Lamifil are not permitted to accept or give gifts or presents that are clearly suggestive of – or even merely hint toward – bribery or corruption in their interactions with suppliers and customers. Providing customers or partners with modest and reasonable gifts or entertainment is acceptable, provided it complies with standard business and marketing practices, as well as the conventions of hospitality. We have policies in place to prevent bribery and corruption and to increase staff awareness.

Our employees will report any instance of corruption or bribery they come across through our whistleblower procedure, and all such reports will be thoroughly investigated. There have been no documented instances of corruption or bribery in the past few years. As we conduct business globally, we stay up to date on the latest advancements and best practices in this area by regularly consulting anti-corruption guidelines developed by various organizations, including the UN, the OECD, and the Belgian Ministry of Foreign Affairs.

Information security, data privacy, and cyber security

Lamifil is subject to Europe's **General Data Protection Regulation** (GDPR), regarding the collection and processing of EU residents' personal data. In compliance with the GDPR, we guarantee an appropriate level of data security, with measures in place to protect data from unauthorized access or disclosure.

We take adequate measures to gain consent regarding the processing, sharing, and retention of confidential information. We only collect and process data that is necessary or relevant, and do not retain it for any longer than required. We endeavor to keep all data up to date.

Cybersecurity poses a constant risk to companies worldwide. In order to safeguard the security of customer and corporate data and maintain business continuity, Lamifil employs an integrated cybersecurity approach that combines hardware, software and employee training. Our cybersecurity program uses ethical hacking and external testing to ensure the highest industry standards are met. Lamifil will comply with NIS2 Directive, the EU legislation on cybersecurity, by the end of 2024. Our ICT partners are all certified in accordance with ISO27001.



SUSTAINABLE RAW MATERIAL SOURCING

We expect our partners and suppliers to do business according to globally accepted **ethical standards** and comply with local and international laws, as enshrined within our **Supplier Code of Conduct**. This code includes requirements related to human rights and occupational health and safety, environmental concerns, ethics, and transparency, which are evaluated on a regular basis by our purchasing department. We try to establish **long-term partnerships** with our suppliers, with the aim of building and maintaining a sustainable and successful supply chain. By 2027, our target is to have screened 80% of European suppliers (80% of the procurement volume) and 100% of critical non-European suppliers on ESG criteria. This involves considerable efforts, a solid process and intensive collaboration.

The main raw materials Lamifil uses for production are aluminum T-bars and copper cathodes. These are sourced from suppliers from around the world. In addition, we also purchase other metals – like magnesium and manganese – for alloying.

Our metal procurement is **compliant with the EU Conflict Minerals Regulation and the US Dodd Frank Act Section 1502 regarding conflict minerals**. All of our major metal suppliers have signed Lamifil's Code of Conduct, or have had their own code of conduct reviewed and accepted on the basis of Lamifil's standards.

Wherever possible, we prioritize local sourcing with the dual aim of supporting local economies and minimizing our supply chain's carbon footprint. In this regard, we are also constantly looking for ways to optimize transportation between ourselves and our suppliers and customers.

CORPORATE GOVERNANCE

Like many other Belgian businesses, Lamifil abides by a set of rules regarding corporate governance. As a privately owned company, Lamifil adheres to the Code Buysse – an advisory code for unlisted companies – which was first introduced in 2005, and was last updated in May 2017 (Code Buysse III) following recent trends and market changes.

This code is coordinated by the Belgian Corporate Governance Commission, part of the European Corporate Governance Codes Network (ECGCN), and serves as a standard and set of guidelines for unlisted companies like Lamifil in establishing, implementing, and assessing sound corporate governance and management practices. The Code Buysse outlines the key principles of good corporate governance, control and risk management. It describes the role, composition and functioning of an active Board of Directors, defines the main tasks of the CEO and senior management and gives insights on shareholder engagement, with it being recommended that each business follow the recommendations relative to its size, industry, and character.





SUSTAINABILITY PERFORMANCES AND TARGETS

Sustainability KPI	Status 2021	Status 2022	Status 2023	Target	Target year	Baseline
CONNECTING WITH THE FUTURE						
Technology and innovation						
% of gross margin allocated to technology and innovation	5%	5%	5%	5%	Yearly	
CONNECTING WITH THE PLANET						
Climate impact						
Net zero (if a hydrogen grid is available)	/	/	/	Net zero	2050	
% reduction Scope 1 and 2 emissions	/	/	/	-25%	2030	2023
Determining Scope 3 emissions	/	/	/	Determining Scope 3 emissions*	2025	
SBTi-validated targets	/	/	/	SBTi-validated targets	2035	
% reduction in specific gas consumption of the rolling mill (aluminum)	/	/	-5.30%	-10%	2030	2022
% reduction in specific gas consumption for heating/sanitary purposes	/	/	-16.50%	-30%	2030	2022
% use of green electricity	0%	0%	0%	100%	2025	
% use of green aluminum (footprint < 4 kg CO ₂ eq/kg aluminum) for overhead conductor applications	/	/	/	100%	2025	
Environmental pollution						
% reduction of NOx-emissions	/	/	/	Minimum -80%	2027	2024
% reduction of HF-emissions	/	/	/	Minimum -80%	2027	2024
% reduction of particulate matter emissions	/	/	/	Minimum -80%	2027	2024
% reduction of solvent usage	/	/	/	-80%	2030	2024
% reduction of LPG usage	/	/	/	-100%	2030	
Number of environmental incidents causing damage	11	7	6	0	Continuous monitoring of target	
Biodiversity						
Biodiversity risk analysis own site	/	/	/	Risk analysis own site	2030	

Strategic targets are highlighted in orange * Based on these calculations, Lamifil will determine a Scope 3 reduction target for 2030



Sustainability KPI	Status 2021	Status 2022	Status 2023	Target	Target year	Baseline
CONNECTING WITH THE PLANET						
Resource use and circular economy						
% relative improvement metal yield aluminum	/	/	/	+15%	2030	2022
% relative improvement metal yield copper	/	/	/	+15%	2030	2022
% use of recycled copper (relative to total amount of copper)	/	/	/	50%	2030	
% recycled packaging (by weight)	/	/	/	70%	2030	
% recycled content plastic packaging	/	/	/	35%	2030	
% reuse of pallets, plastic crates, collapsible boxes, buckets, and spools	/	/	/	30%	2030	
% reduction wooden spools, unless explicitly requested by customer for overseas export	/	/	/	-100%	2030	
CONNECTING WITH OUR PEOPLE						
Working conditions own employees						
Lost Time Injury Frequency Rate (LTIFR)	109	71	48	<20	2025	
Lost Time Injury Severity Rate (LTISR)	2.3	1.5	1.1	<1	2025	
Number of work-related accidents	/	/	/	0	2030	
% of white collar workers able to schedule work autonomously	/	/	/	100%	Continuous monitoring of target	
% of employees participating in employee surveys	/	/	/	80%	2030	
% voluntary employee turnover rate of white collar workers	3%	5%	4%	<4%	2025	
% voluntary employee turnover of blue collar workers	4%	4%	5%	<5%	2025	
Personal growth and development						
% of employees participating annually in goal setting and performance review	/	/	/	100%	2025	
% of vacancies published internally before publishing externally	/	/	/	90%	2025	
Average number of training hours per employee per year	/	/	/	40	2025	
x/year succession planning for key positions	/	/	/	Twice a year	2025	
Development Talent@Lamifil policy	/	/	/	Talent@Lamifil policy	2025	
Relations with neighbors						
Number of formal complaints filed by local residents regarding disturbances related to the environment and mobility caused by Lamifil	2	2	3	0	2025	
% of employees living within cycling distance (within a radius of 15 km)	/	/	80%	90%	2030	
Relations with customers						
Number of complaints related to the safety of Lamifil products	0	0	0	0	Continuous monitoring of target	
Net Promoter Score	61	50	87	90	2030	



Sustainability KPI	Status 2021	Status 2022	Status 2023	Target	Target year	Baseline
CONNECTING WITH SOCIETY						
Sustainable business operations						
% year-on-year growth from sustainable applications of Lamifil products	0%	0%	5%	5%	yearly	
Company culture and ethics						
% of employees trained in Lamifil's Labor Regulations	50%	50%	80%	100%	2030	
Number of incidents related to corruption and ethical issues	0	0	0	0	Continuous monitoring of target	
% of management and sales trained in Code Buysse	10%	10%	10%	100%	2025	
Number of violations against EU Sanction List	0	0	0	0	Continuous monitoring of target	
Number of violations against US Sanction List	0	0	0	0	Continuous monitoring of target	
% of employees assessed on Lamifil's values	100%	100%	100%	100%	Continuous monitoring of target	
Data management and protection						
% of employees with a user account managed by Lamifil participating monthly in cybersecurity training	/	81%	86%	100%	2025	
% scoring on cybersecurity index	59%	69%	69%	70%	2025	
NIS-2 compliancy	/	/	/	Compliancy with NIS-2	2025	
Sustainable procurement						
ESG integration in General Terms of Conditions in all agreements with suppliers	/	/	/	ESG in General Terms of Conditions in all agreements	2025	
% of European suppliers (= suppliers that account for 80% of the procurement volume) are screened on ESG criteria	0%	0%	0%	80%	2027	
% of critical non-European suppliers are screened on ESG criteria	0%	0%	0%	100%	2027	
Number of legal proceedings due to late payment	0	0	0	0	Continuous monitoring of target	



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* Biodiversity will be included in the next Integrated Annual Report

PART IV
ANNEX

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IROs)

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO
CONNECTING WITH THE FUTURE	ESRS E1	Contribution to energy transition	Contribution to energy transition	O	Infrastructure expansion, driven by the energy transition and the rise in electric mobility, leads to increased demand and higher added value
	ESRS G1	Technology and innovation	Technology and innovation	I	Development of innovative products that contribute to the green transition
CONNECTING WITH THE PLANET	ESRS E1	Climate impact	Extreme and changing weather conditions	R	Effect of inclement weather on working conditions
				O	Using a Western European sourcing strategy to become less dependent on shipping
				O	More extreme weather results in more repairs and upgrades of high-voltage infrastructure, which has a positive effect on sales
			CO ₂ emissions from Lamifil's site	R	Changing consumer behavior / higher demand for low-carbon products
				R	CBAM legislation and cost price of CO ₂ , which may affect Lamifil's competitive position
				I	Emissions from production processes
			CO ₂ emissions during transport	I	CO ₂ emissions from transportation (by road or shipping) to and from Lamifil
			CO ₂ emissions during raw material extraction	R	Risk associated with CO ₂ emissions during extraction of raw materials (e.g. CO ₂ cost price, increasing reporting obligations on GHG emissions, obligation to become C-neutral)
				O	Recyclability of metals
				I	CO ₂ and PFC emissions during raw material extraction
			Eliminating fossil fuels from Lamifil's site	R	Fluctuating energy prices
				R	Rising energy prices
				O	Process innovation to increase energy efficiency
				O	Production planning in terms of energy demand
				O	Modernization and electrification of machinery
				O	Alternative fuels, new heating technologies and on-site renewable energy generation lead to lower exposure to fluctuating/rising energy prices and lower dependence on a supply-driven energy market
Eliminating the use of fossil fuels during raw material extraction	O	Investment in cogeneration plant			
	O	Energy subsidies			
	O	Alternative fuels and renewable energy			
CO ₂ emissions during the use phase	O	Commitment to green sourcing of aluminum and copper from Scandinavia, with the risk of green sourcing not being able to handle rising demand			
CO ₂ emissions during the use phase	I	Lamifil's contribution to CO ₂ emissions stems from energy loss during the use of cable and wire products made from copper, aluminum, and their alloys			

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO
CONNECTING WITH THE PLANET	ESRS E2	Environmental pollution	Air pollution at Lamifil's site	R	More stringent environmental legislation imposing stricter standards
				R	Non-compliance with legislation or not obtaining environmental permits
				R	Increased attention to environmental pollution in residential areas, with the risk of blocking or not obtaining environmental permits
				O	Process optimization
				I	Fumes (particulates and fluorides) and NOx-emissions released during production processes
				I	CO ₂ emissions during transport (by road or shipping) to and from Lamifil
			Soil contamination at Lamifil's site	R	Non-compliance with legislation or not obtaining environmental permits
				R	Increased attention to environmental pollution in residential areas, with the risk of blocking or not obtaining environmental permits
				R	Impact on local sales deeds in the surrounding area, which can lead to reputational damage
				I	(Historical) soil contamination
			Soil contamination value chain	I	Potential soil contamination from mining
			Use of chemicals and harmful substances	O	Process and product innovation to phase out hazardous substances
				I	Use of chemicals in Lamifil's processes (e.g. chlorine gas, degreasers, oil derivatives ...)
			ESRS E4	Biodiversity	Impact on biodiversity on and around Lamifil's site
	Impact on biodiversity during raw material extraction	I			Impact on species and biodiversity-sensitive areas during mining, due to deforestation or land
	ESRS E5	Resource use and circular economy	Resource use	R	Availability and price of low-carbon aluminum and copper
				R	Stricter legislation, such as CBAM legislation
				I	Mining and use of raw materials and pure metals
				I	Purchase of low-carbon aluminum and copper (green sourcing)
			Transition to circular economy	R	Increasing customer demand for recycled products
I				100% recyclability of our products	
Packaging materials			O	Optimization and standardization of packaging	
			O	Internal spool management	

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO	
CONNECTING WITH OUR PEOPLE	ESRS S1	Working conditions own employees	Safety and well-being at Lamifil	R	High employee turnover due to physically demanding work and safety risks	
				R	Unavailability of sufficient and qualified operators, due to a tight labor market and a younger generation no longer interested in physically demanding work	
				R	Absences and absenteeism resulting from physically demanding work, industrial accidents, and changing work ethics among young employees	
				I	Safe and pleasant working environment for own employees and third parties	
				I	Machine safety	
				I	Safety culture (including safe interactions between humans and machines)	
				I	Good working conditions	
				I	Ergonomics	
			Job creation and job retention	R	High employee turnover, due to (among other things) a large population of over-50s and physically demanding work	
				R	Inflation / rising salary costs and energy prices	
				I	Collective labor agreements	
			Personal growth and development	Personal growth and development	O	Belgian Labor Deal requiring companies to provide training
					I	Contributing to employees' personal growth through education and training
	I	Performance reviews				
	I	Career guidance				
	ESRS S2	Working conditions in the value chain	Working conditions in the value chain	I	Labor conditions in mining and production of raw materials	
				I	Human rights in non-European mining activities and among Lamifil's non-European suppliers	
			Rights of indigenous people in mining areas	I	Rights of indigenous people in mining areas from which Lamifil extracts raw materials	
	ESRS S3	Affected communities	Relations with neighbors	R	Increased attention and complaints from local residents who are inconvenienced by Lamifil's activities in terms of noise, odor, environmental pollution, and truck traffic	
				I	Nuisance experienced by local residents near the production site (noise, transport, visual disturbance)	
				I	Health of local residents (impact of historical soil contamination and air emissions)	
I				Transparency and communication with local residents (neighborhood committee)		
I				Relationship with municipal authorities		
I				Lamifil as a local employer		
I				Cooperation with other companies in Hemiksem regarding the local environment		

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO	
CONNECTING WITH OUR PEOPLE	ESRS S4	Customer relations	Relations with customers	O	Customer centricity & intimacy (building long-term relationships)	
				O	Attracting the right customers (Western world)	
				I	Customer satisfaction	
				I	Ethical marketing and sales practices	
			Safety of business relations	I	Safety of customers and installers, e.g. when installing high-voltage cables	
				I	Product safety and quality	
				I	Safety during transport of finished products (traffic accidents)	
CONNECTING WITH SOCIETY	ESRS G1	Sustainable business operations	Sustainable business	R	Competitive disadvantage compared to non-EU countries due to CSRD and CBAM regulations, among others	
				O	Increasing importance of ESG in tenders / increasing number of sustainability-related questions from customers	
				O	Increasing demand for end products and specialties in aluminum and copper, in the context of the energy transition	
				O	Challenge of balancing sustainability with Lamifil's financial returns, as sustainability changes require financial resources	
				O	Collaborations in the US (produce and sell locally)	
				I	Development and growth with attention to environmental and social impact	
				I	Embedding ESG in business operations	
				I	Compliance (Lamifil operates in compliance with all applicable laws)	
				Sustainable financing	R	Increasing importance of ESG for financial institutions will result in access to finance increasingly contingent upon ESG efforts and performance
					I	Lobbying activities related to energy prices and CBAM conducted through sector organizations
		Political influence	I	Contacts with government authorities at municipal, Flemish, federal and European levels		
			I	Contacts with government authorities at municipal, Flemish, federal and European levels		
		Company culture and ethics	Company culture and ethics	R	Reputational damage	
				I	Attention given to corporate reputation and integrity	
		Corruption and bribery	Corruption and bribery	R	Access to credit becomes more difficult if corruption is identified by a financial institution	
				R	Access to credit becomes more difficult if corruption is identified by a financial institution	
		Data management and protection	Data management and protection	R	Cyber attacks and hacking	
I	Digitalization and digital transformation					
I	Cyber security					
Sustainable procurement	Sustainable procurement	I	Integration of ESG into the processes of supplier selection and evaluation, as well as purchasing			

NON-MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROs)

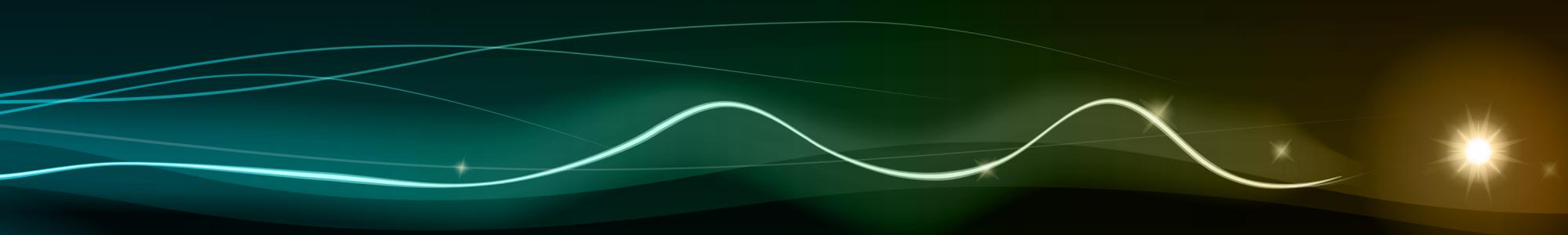
Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO
CONNECTING WITH THE FUTURE	ESRS E1	Contribution to energy transition	Contribution to energy transition	I	Production of components for high-voltage power lines
				I	Lighter electric vehicles and aircraft
				I	Charging infrastructure for electric cars
	ESRS G1	Technology and innovation	Technology and innovation	O	Partnerships, including those with customers, universities and industry federations
				O	Artificial intelligence (long-term except firewall)
				I	R&D investments
				I	Protection of innovations and IP through patents
CONNECTING WITH THE PLANET	ESRS E1	Climate impact	Extreme and changing weather conditions	R	Effect of extreme weather conditions on Lamifil's site
				R	Problems with shipping (Panama Canal, Rhine) that may cause sourcing problems
				O	Expanding rainwater collection at Lamifil's site
			CO ₂ emissions from Lamifil's site	R	Increasing reporting requirements on GHG emissions and obligation to become C-neutral
				R	Increased regulation of production processes
				O	Process innovation leads to lower energy demand. This is also an opportunity for Lamifil to distinguish itself from competitors
				I	Emissions from building heating
				I	Emissions from internal transport
			CO ₂ emissions during transport	R	Risk associated with CO ₂ emissions during transport (e.g. CO ₂ cost price, increasing reporting obligations on GHG emissions, obligation to become C-neutral)
				O	Multimodal transport (e.g. transport by water from Rotterdam to Willebroek)
			CO ₂ emissions during raw material extraction	O	Geographic availability of raw materials
				O	Process innovation in aluminum and copper smelting leading to less GHG emissions
			Eliminating fossil fuels from Lamifil's site	I	Replacing gas furnaces with electric furnaces
	I	Electrification of forklifts and fleet			
	I	New heating technologies (disconnecting from gas, switching to heat pumps) and use of renewable/green energy			
	Eliminating the use of fossil fuels during raw material extraction	I	Purchasing low-carbon aluminum and copper (green sourcing)		
		I	Purchasing Green Label aluminum and copper (green sourcing)		
	ESRS E2	Environmental pollution	Water pollution	R	More stringent environmental legislation imposing stricter standards
				R	Non-compliance with legislation or not obtaining environmental permits
				I	Contamination of surface or groundwater due to use of chemicals
Use of chemicals and harmful substances			O	Innovation support for phasing out cadmium	
			R	Chemical/oil spills in processes	
			R	Product choices made by suppliers (e.g. a choice that requires Lamifil to dewax raw materials)	



Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO	
CONNECTING WITH THE PLANET	ESRS E3	Water	Water use	R	Increasing water stress during periods of extreme drought	
				I	Use of city and cooling water in processes	
				I	Reuse of rainwater	
	ESRS E4	Biodiversity	Impact on biodiversity during raw material extraction	Impact on biodiversity during the use phase	R	Reputational damage because of the link to mining
					R	Limited transparency regarding the impact of mining on local biodiversity, due to trading through traders
					R	Reputational damage due to bird loss (from overhead high-voltage cables) and soil degradation (due to the construction and use of underground high-voltage cables)
					I	Impact of overhead high-voltage cables on local bird life
					I	Impact of (the construction of) underground high-voltage cables on soil life
	ESRS E5	Resource use and circular economy	Resource use	Transition to circular economy	R	Unavailability of pure metals (e.g. copper and aluminum) and minerals (e.g. magnesium and silicium)
					O	Avoid and minimize scrap as much as possible, and reuse scrap where possible
					O	Sourcing policy where the commitment is made to source raw materials locally
					R	Geopolitical tensions that may impact raw material availability
					O	Product innovations that result in less use of materials
					R	Limitations for aluminum and copper recycling (e.g., pure aluminum needed for high conductivity)
					O	Using reusable spools
					I	Reusing scrap
					I	Minimizing raw material waste during processes
					I	Ecodesign / full lifecycle design
			I	Recycling of copper from end-of-life products		
			I	Reusing packaging (spools)		
			Packaging materials	R	Legal obligations and customer requirements	
				O	Collaboration with partners for packaging materials (e.g. similar system to EURO pallets, where spools are rented)	
				I	Using packaging materials to pack or transport products	
Waste			O	Identifying waste as a value stream		
			O	Waste prevention		
	I	Production of industrial waste				
	I	Reduction / prevention of industrial waste				
	I	Sorting of industrial waste				

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO
CONNECTING WITH OUR PEOPLE	ESRS S1	Working conditions own employees	Safety and well-being at Lamifil	O	Digitalization and optimization of processes to reduce the number of workers and make it unnecessary for workers to be highly skilled to operate the machines
				O	Safety bonus
			Mental health and employee engagement	R	Employee turnover/absenteeism resulting from burnout, private issues or psychosocial reasons
				R	Lack of teamwork and cooperation
				O	Continued commitment to local recruiting (positive for well-being and work-life balance)
				O	Positive image / positioning of the company
				I	Work-life balance / collective labor agreement concerning disconnecting from work and working from home
				I	Psychological stress and lack of well-being
				I	Promoting employee engagement and pride
				I	Social progress through cooperation with social partners
				Diversity, equality and inclusion	R
			R		Posts on social media
			I		Committing to gender equality
			I		Eliminating the gender pay gap between employees who hold the same positions
			I		Preventing violence and discrimination
			I		Involving everyone in using their own unique qualities
			Job creation and job retention	R	Reputational damage or negative image due to high employee turnover
				R	Salary tension, i.e. employees not satisfied with the pay they receive
				I	Job security
	I	Talent acquisition and retention			
	I	Adequate compensation			
	Personal growth and development	R	Employee turnover due to lack of career opportunities and career guidance		
		R	No safeguarding of HR processes and procedures (e.g. concerning onboarding)		
		O	Talent coaching of starters		
		I	Opportunities for career development		
		I	Good remuneration		
	ESRS S2	Working conditions in value chain	Working conditions in value chain	R	Stricter legislation (proposed Due Diligence Directive)
R				Purchasing through traders, resulting in limited transparency of working conditions in the upstream value chain	
R				Reputational damage due to link to mining	
R				Bank refusing to provide bank guarantees if Lamifil's suppliers are not favorable	
O				Purchasing from European suppliers, who generally offer better working conditions (sourcing choices lie with Lamifil)	
Rights of indigenous people in mining areas			R	Stricter legislation (proposed Due Diligence Directive)	
			R	Reputational damage when rights of indigenous people in mining areas are violated	
			O	Choice of suppliers and business partners (Lamifil develops sourcing policy and requires suppliers to sign charter)	

Pillar	Link ESRS	Topic	Sub(sub)topic	IRO	Description IRO	
CONNECTING WITH OUR PEOPLE	ESRS S3	Affected communities	Relations with neighbors	R	Restriction of expansion possibilities and closure of problem departments in the event of persistent complaints from local residents or changed policies of the municipal government	
				R	Reputational damage	
				O	Clustering of industrial companies in Hemiksem	
			Community engagement	I	Contribution to national and local economy and prosperity (job creation)	
				I	Contribution to local community through sponsorship	
				I	Projects with local school group	
	ESRS S4	Customer relations	Safety of business relations	R	Occupational accidents of installers and customers	
				R	Notice of default and legal liability for incidents that occur during or after installation of Lamifil's products	
				R	Reputational damage caused by accidents involving installers and customers	
			Consumers / end users	R	Consumers are not familiar with Lamifil	
R				Consumer fraud, i.e. the sale of products with properties other than those agreed upon		
I				Lamifil's contribution to electricity access, energy transition and green energy distribution, both in the present and in the climate-neutral economy of the future		
CONNECTING WITH SOCIETY	ESRS G1	Sustainable business operations	Sustainable business	R	Employee resistance to sustainability-related changes	
			Sustainable financing	I	Sustainable investments	
				I	Transparency in terms of financing	
		Company culture and ethics	Company culture and ethics	R	Lawsuits, legal proceedings, and fines due to criminal liability	
				R	Unethical practices in the value chain	
				I	Establishing a whistleblower procedure	
				I	Responsible tax practices	
				I	Criminal liability	
		Corruption and bribery	Corruption and bribery	R	Lawsuits, legal proceedings, and fines due to criminal liability	
				R	Unethical practices in the value chain	
				R	Reputational damage	
				I	Preventing corruption, bribery, and other unethical practices	
		Data management and protection	Data management and protection	R	Violations of privacy regulations resulting in fines	
				R	Non-compliance regarding data privacy and cybersecurity	
				I	Commitment to data quality and management	
				I	Data privacy and management (GDPR)	
		SRS G1	Sustainable procurement	Sustainable procurement	R	Purchasing raw materials through traders, which results in limited transparency regarding the upstream value chain
					R	European regulation on conflict minerals
					R	Stricter legislation (proposed Due Diligence Directive)
					O	Geopolitical tensions
O	Developing sourcing policies to avoid procuring metals, including through traders, from conflict zones					
I	Creating awareness among suppliers					
I	Avoiding conflict materials, e.g. tin					
I	Traceability of raw materials in the value chain					



Bringing connections to life