

2022

Extra-financial report

NSE GROUP



SUMMARY

Group profile

- 04 - One group, one organization
- 10 - Illustration of our business model

CSR vision and prospects

- 12 - Main events in 2022
- 12 - Main trends and factors that could influence the Group's development

CSR challenges and strategy

- 16 - Implementation of the approach
- 20 - Stakeholders mapping
- 21 - Modalities of dialogue with stakeholders
- 22 - Materiality matrix

NSE's CSR commitments

- 24 - NSE Group's major commitments & Sustainable Development Objectives
- 26 - Sharing strategy , raising awareness of Corporate Social Responsibility

Policy on the most material issues

- 28 - Cybersecurity
- 29 - General Data Protection Regulation
- 30 - Ethics in Business and Relations with Stakeholders
- 32 - Responsible Purchasing policy and Sourcing Quality
- 34 - Carbon footprint - Energy and Climate Transition
- 36 - Circular Economy
- 38 - Summary of action plans relating to the main extra-financial identified challenges and 2022 results

Social policy

- 42 - Social Dialogue and Quality of Life and Working Conditions
- 43 - Attractiveness of the Group, Talent Retention, and Knowledge Capitalization
- 44 - Diversity and Equal Opportunities
- 48 - Risk Analysis and Occupational Health and Safety Policy
- 50 - Measures Taken in Favor of People with Disabilities
- 51 - Skills Development

Responsible purchasing

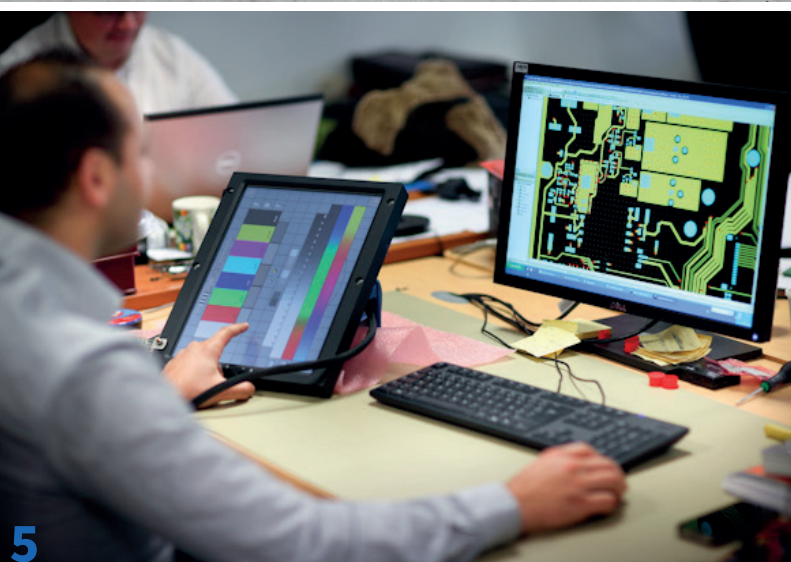
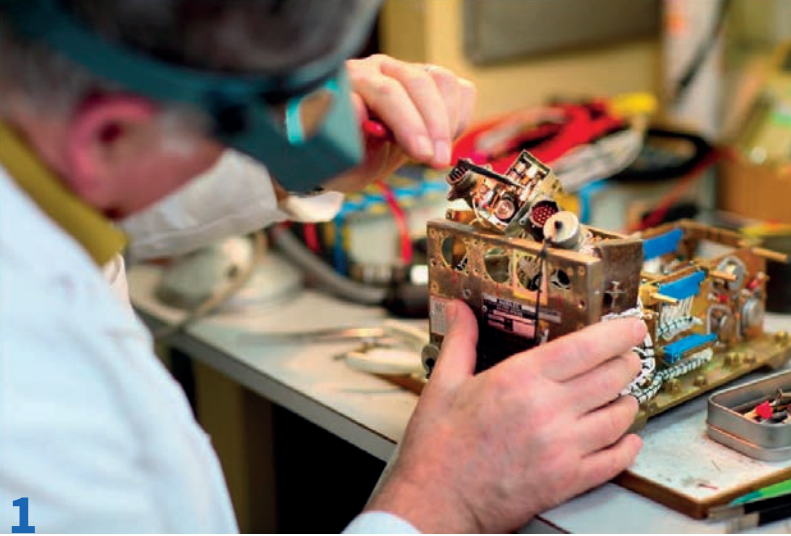
- 54 - Purchasing Organization and Strategy

Environmental policy

- 56 - Description of the Environmental policy

Social policy and links with the territory

- 62 - Description of Social Policy and links with the territory



1. Equipments Maintenance, Repair and Overhaul **2.** Wiring **3.** Aircraft Maintenance, Repair & Overhaul **4.** Complex Electronic Systems Integration. **5.** Engineering Department. **6.** Logistics.

EDITORIAL FROM THE PRESIDENT

Philippe Brel - Chairman of the Executive Board



For over two years now, NSE has been committed to an ambitious CSR policy.

This reporting is of particular importance, given the challenges we are facing as a result of the conflict in Ukraine. This has amplified tensions that had already built up over raw materials and components, and it has triggered a European energy crisis and lasting inflation, which we are all suffering from.

Nevertheless, we have made significant progress since the launch of our CSR approach. In April 2023, we organized an essential awareness campaign for all our employees, marking a footprint milestone in our approach. This initiative strengthened our employees' understanding of our CSR commitments.

As part of our commitment to CSR, we have carried out a comprehensive footprint audit to quantify our emissions and identify areas where reductions are needed. This carbon assessment has enabled us to define a strategic plan for carbon reduction up to 2025, when we will carry out our next assessment.

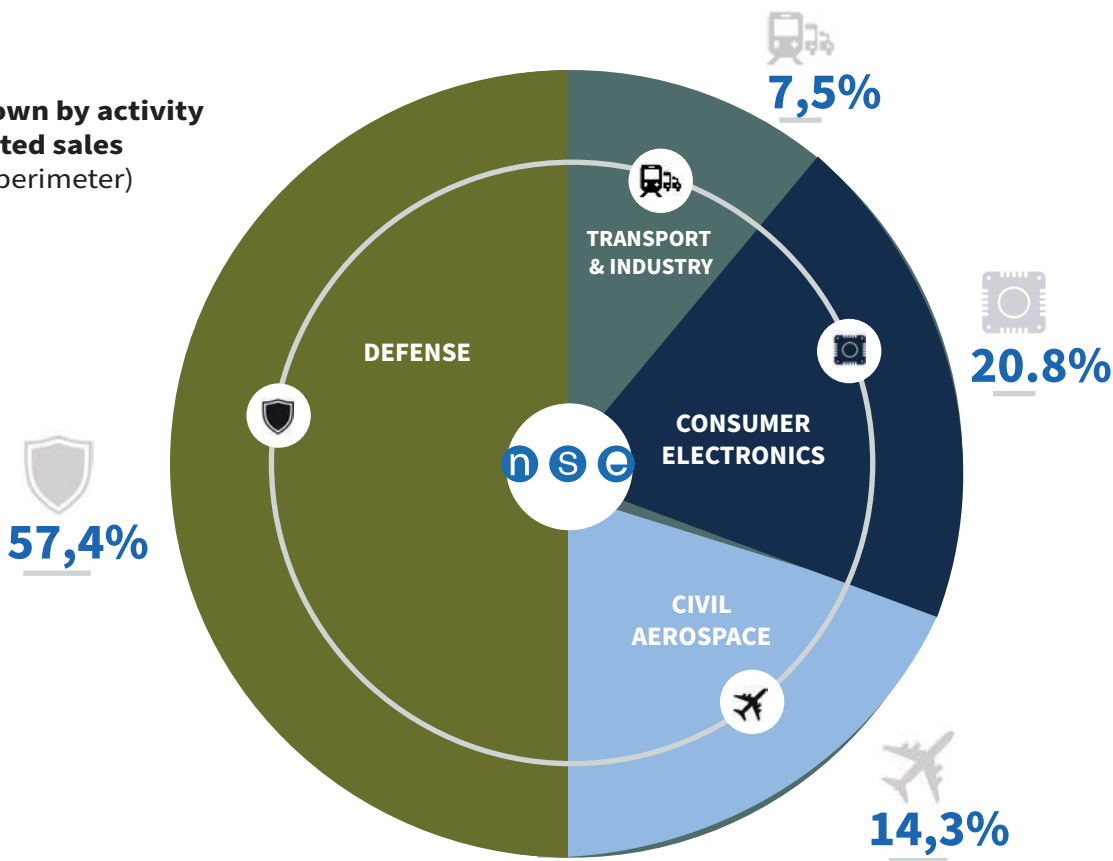
After this initial period of gathering information and developing a strategy, we now have the necessary maturity to move into an active phase of our approach. We are convinced that responsible and sustainable practices contribute not only to the long-term viability of our company, but also to our competitiveness in the long term. We will regularly communicate our progress and results to our stakeholders in order to support transparency and maintain an open dialogue.

We remain committed to making CSR a priority within NSE, as one of the pillars of our Ambition 2025 plan and thus contribute to a more sustainable future.

Group profile

A spread of activities in the Defense, Aerospace, Transport & Industry & Consumer Electronics

Breakdown by activity of adjusted sales (France perimeter)



NSE Group is an international industrial group specializing in the Defense, Aerospace, Transport and Industry, as well as Consumer Electronics and professional sectors. The Group provides tailor-made solutions, thanks to a comprehensive range of high value expertise in engineering, wiring, integration, maintenance, logistics and repair.

NSE's customers, particularly in the Defense and Aerospace sectors, are industrial companies who develop complex electronic systems. The Group provides them with products and services adapted to each of their technological challenges.



The NSE Group offers global solutions and high value-added products to meet the needs and support the armed forces and in France and abroad.



The NSE Group offers a comprehensive range of solutions and services such as equipment maintenance and repair, to players in the civil and military Aerospace industries.



The NSE Group offers its expertise and know-how in the Industrial & Medical sectors.



The NSE Group offers its expertise and range of services to manufacturers in the after-sales service and deployment



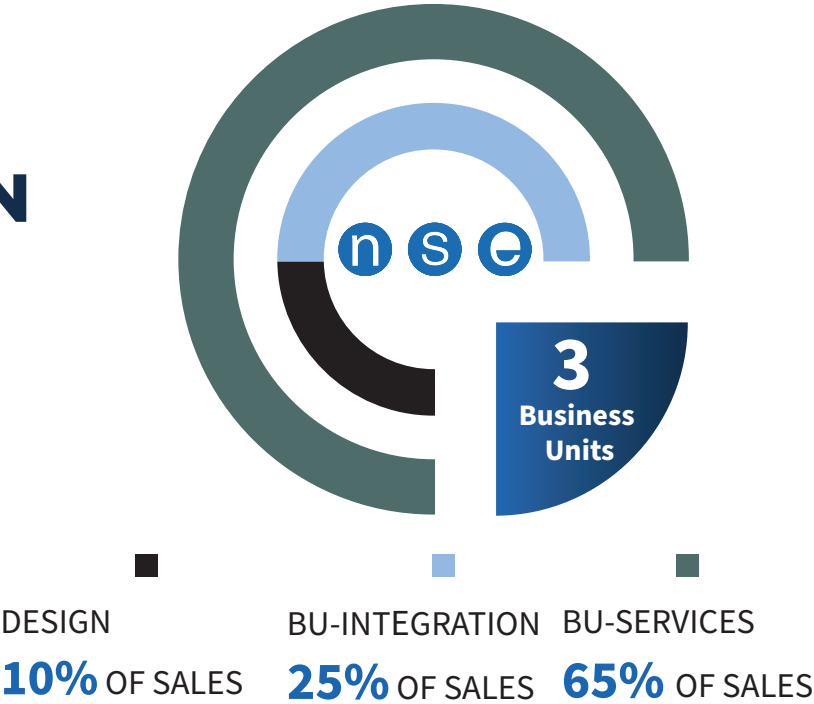
Since its creation in 1983, NSE has been communicating and transmitting its founding values to every employee, supplier and customer:

STRINGENCY FRANKNESS WORK HONESTY HUMILITY

ONE GROUP, ONE ORGANIZATION

The Group's customers belong to 4 sectors: Defense (Air, Land, Sea), Aerospace, Transport & Industry and Consumer & Professional & Electronics.

However, the processes applied to all operations are similar, with the common denominator being advanced know-how in integration and wiring.



To meet its different needs, NSE's activities are divided into three Business Units, supported by shared cross-functional departments: Human Resources, Quality, IT, Finance, Purchasing, Safety & Legal.

BU- DESIGN

The "Design" Business Unit specializes in the harmonization of cockpits and external lights for night vision on helicopters and airplanes, in flight-data recorders, and in tracking systems, notably for the aerospace and Land sectors.

BU-INTEGRATION

The "Integration" Business Unit specializes in "Build to Spec" & "Build to Print" solutions for: Aerospace, Defense and Rail equipment; complex cable structures and test benches. The BUI is characterized by its great diversity in the Defense, Defense Aerospace and Industrial sectors.

BU-SERVICES

The "Services" Business Unit specializes in after-sales services for the Consumer Electronics, & Professional sectors. It also provides aerospace maintenance, technical and logistical support for the Defense & Security sector.

AN INTERNATIONAL GROUP

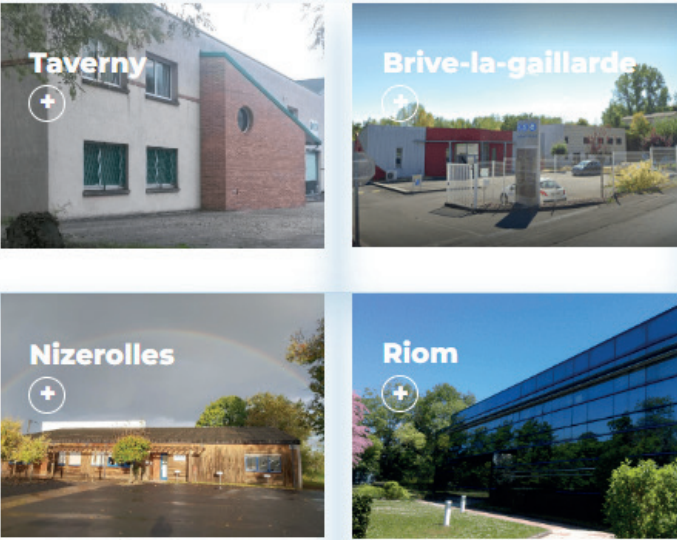
32%
EXPORT SALES



NSE's international structure illustrates the group's plurality and competitiveness.

The NSE Group is made up of 6 subsidiaries on 5 continents, ensuring total proximity to its customers: NSE Automatech and NSE TLS (Canada); NSE Brasil (Brazil); NSE Aéro Maroc; NSE India and Hical-NSE (India).

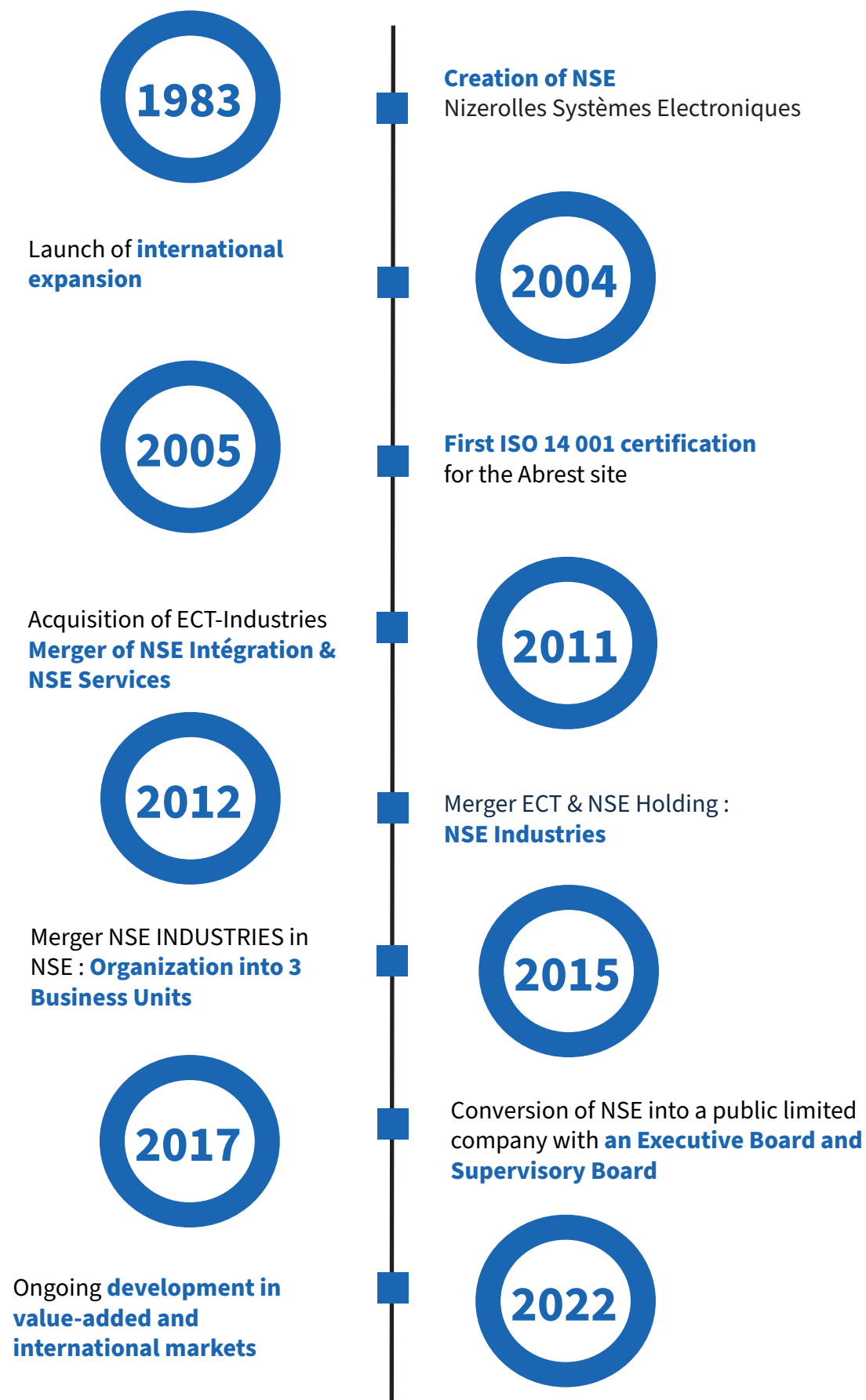
The subsidiaries mainly take over the Group's activities in France, with the exception of NSE Automatech, which carries out high-precision machining and surface treatment.



The Group has **eight sites in France**: Abrest (03); Aulnat (63); Brive-la-Gaillarde (19); Nizerolles (03); Riom (63); Soyons (07); Taverny (95); Varennes-sur-Allier (03).

Since its creation in 1983, NSE, backed by its family shareholding, has invented global solutions and high value-added products thanks to the expertise of its 383 employees, 114 of whom work abroad.

BUSINESS ENVIRONMENT



Philippe BREL
Chairman of the Executive Board



Alain ROCHER
Vice-President Services



Laurent DEBARET
Member of the Executive Board - Group Chief Financial Officer



Members of the Supervisory Board
François LACOSTE - Lise CAUCHY-LACOSTE - Alain REMUZON

The NSE Group is managed by an Executive Board, which is responsible for the operational management and representation of the company, in accordance with its strategy and organization, under the supervision of the Supervisory Board, chaired by Mr François LACOSTE, which defines the company's strategy and verifies its application, as well as setting and monitoring the delegations given to the Executive Board.

The corporate culture is built around the NSE values, defined by company founder François LACOSTE. These values, which form the glue that holds the company together, are intended to be shared by all: employees in all functions, suppliers and partners. To this end, they are systematically included in internal communications. They are also displayed at all company sites and available on the company website. Based on these values, customer satisfaction, personal safety and environmental protection are at the heart of the company's concerns. The continuous improvement dimension, in a particularly demanding industrial environment, is considered essential by the Group. A performance management system is applied to both internal processes and supplier relations, with numerous certifications depending on the specific features of each site.

Since 2021, NSE has been developing its corporate social responsibility approach in line with these company fundamentals and by listening carefully to its stakeholders.

BUSINESS ENVIRONMENT

Customers

The Group's customers belong to **4 sectors**:

- Defense (Air, Land, Sea)
- Aerospace
- Transport & Industry
- Consumer and Professional Electronics

The processes applied to all operations are similar, with specific integration and wiring know-how in common. NSE's customers include OEMs, aircraft manufacturers and operators (including the French Ministry of Defence). NSE operates in a highly regulated environment requiring technical certifications and approvals, particularly in the aerospace, military and banking sectors. The latter engage in long-term relationships with their suppliers, for whom product/service quality, scalability, business ethics, risk management and cyber security are central concerns.

Ecosystem and partnerships

NSE operates in a rich professional ecosystem that allows it to regularly engage with clients and suppliers, conduct business and technological monitoring, participate in discussions on the future of relevant sectors, and contribute to collaborative innovation.

NSE is a member of GICAT, GIFAS, Aerospace Cluster Auvergne Rhône-Alpes, and CIMES.

GICAT is a professional association with over 380 members. Its members, French industrial companies in the Defense and land and air Security sectors, cover a wide range of industrial, research, service, and consulting activities for military and civilian components, both nationally and internationally.

GIFAS is a professional federation that brings together more than 366 companies specialized in the study, development, production, marketing, and maintenance of all aeronautical and space programs and equipment. GIFAS positions itself as a leader in innovation.

Aerospace Cluster Auvergne-Rhône-Alpes is the network of actors in the Aerospace industry in the Auvergne-Rhône-Alpes region. This group includes more than 200 members whose main areas of activity are materials and processes, embedded systems, and MRO (Maintenance, Repair, and Overhaul).

CIMES is a center dedicated to mechanical engineering, manufacturing, and the performance of productive systems.

Suppliers

NSE has a panel of over 800 suppliers for its industrial and general purchasing. For its industrial activities, the Group relies in particular on suppliers in the mechanical engineering and electronics sectors. As part of the application of the General Purchasing Conditions and Supplier Quality Requirements notified on all purchase orders, all suppliers are required, among other things, to comply with precise rules concerning REACH & ROHS standards. For its operations, NSE uses temporary employment agencies and recruitment firms, buys work clothes, and provides building, energy, waste and surveillance services, as well as IT and consulting services. Establishing partnerships with strategic suppliers is a key focus for NSE.

TESTIMONIAL

To enhance its development and adapt to market changes, **NSE is involved in a participatory approach aimed at creating an ecosystem.** The concept involves bringing together a community of stakeholders, including companies, organizations, associations, institutions, and even clients and suppliers, from similar fields of activity. These entities share a common strategic vision and are committed to working collaboratively.

- 1 This type of collaboration between different players can take the form of flexible strategic partnerships, such as innovation platforms, co-development of Proof of Concept (PoC) projects, or the sharing of infrastructure or resources (human, material) over a defined period of time.
- 2 NSE is working towards a genuine approach to extra-enterprise collaboration, which has materialized since 2020 through the consolidation of stakeholders in the local area.
- 3 A key objective is notably to pool initiatives with organizations that share similar challenges with us (employment, training), leading to participation in business clusters and Competitiveness Clusters (such as CIMES, where NSE sits on the Board of Directors).
- 4 These are also the exchanges built with Lycée Roger Claustre, UCA, PolyTech Clermont, as well as Hall32 and GRETA, with whom we collaborate to contribute to the training pipeline for the skills we lack or that will be in demand in the future in the Auvergne region employment basin. In the Drome-Ardèche region, NSE establishes very close collaborative relationships with ESISAR in Valence/Grenoble cities (the National School of Advanced Systems and Networks) on annual innovative projects and high-level intellectual services.



Jean BONNEL
Vice President Operations France

"The aim of all these relationships is to nurture this veritable ecosystem of knowledge and technology, and to help boost employment and access to skills in the territory."

ILLUSTRATION OF OUR BUSINESS MODEL

"NSE is an inventor of global solutions and high value-added electronic and IT products with an international dimension."

Since 1983 - €54.457m sales 2022 - 383,383 employees in 2022 France

Capital & value creation for stakeholders

NSE CAPITAL

FINANCIAL CAPITAL

Family-run business - Healthy cash flow - Investment plan - Stable, long-term shareholder base - Essential support for a long-term strategy.

INDUSTRIAL CAPITAL

International coverage: 7 sites on 5 continents - Technological and energy resources - Infrastructure components - Storage units - Integrated, high-performance technical testing resources - IT system providing extensive traceability, interfaced with OEMs - Teams in France and abroad - Wide range of professions and rare alliances of skills (electronic and mechanical know-how).

INTELLECTUAL CAPITAL & KNOW-HOW

Numerous civil & military aeronautical certifications & approvals - Integrated quality and environmental performance management system - Market and technology watch - Agility, design and innovation capability.

NATURAL CAPITAL, RAW MATERIALS

Purchase of raw materials from suppliers (cabling) - Paper/cardboard for packaging - Water and energy consumption.

RELATIONAL CAPITAL, ECOSYSTEM

Loyalty to the region - Participation in collective dynamics within professional groups.

CRÉATION DE VALEUR POUR

CUSTOMERS

1 single point of contact for the customer (One Roof concept on BUS; supply chain management on BUI) - Quality, compliance with requirements, adaptation to customer needs - Competitive prices.

SHAREHOLDERS

A relationship of trust between the NSE Group and its shareholders - Clear and continuous information through press releases and regular contacts.

EMPLOYEES

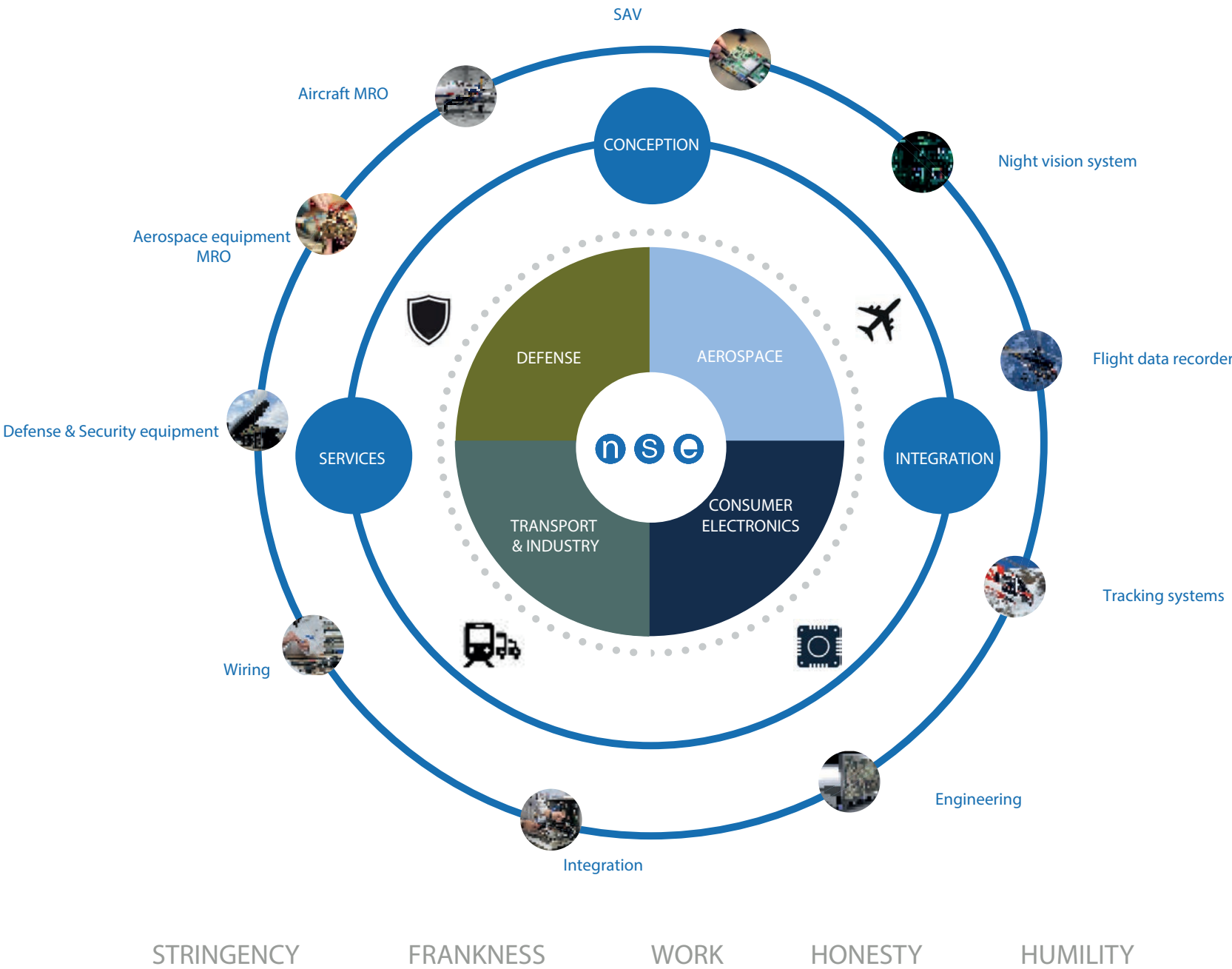
Values and corporate culture - Development of expertise - Diversity of professions - Innovative company with international presence - Company on a human scale.

SUPPLIERS & PARTNERS

Long-term relationships and partnerships with strategic suppliers.

TERRITORIAL COLLECTIVITY

Local job creation - Internships and apprenticeships - Support for local entrepreneurship - Participation in charity work.



The Group has particular strengths in terms of :

- **Know-how:** NSE applies its skills in electronics and mechanical integration to the entire value chain.
- **"Verticalization" of the offer:** All the necessary skills are available within the company, at both technical and logistical levels, particularly in the Defense Support offer.
- **Technical resources:** Tools used for "Test and qualification" analyses (semi-anechoic room - electro-magnetic accounting for electronic emissivity testing - dedicated information system).
- **Competitiveness:** Particularly in the field of consumer Electronics, the Group constantly reviews its processes to offer its customers attractive costs.
- **Diversification potential:** To cope with the downturn in certain sectors (Aerospace) and the effects of the pandemic, NSE has been able to redeploy its activities with agility through its Canadian subsidiary, in the Medical sector, and through the diversification of its NSE TLS subsidiary in the Transport sector.

VISION AND PROSPECTS

CORPORATE SOCIAL RESPONSIBILITY

Main events in 2022

The conflict in Ukraine has exacerbated shortages of components and materials, and led to lasting inflation which has had an impact on the Group's activities. Logically, the hardest-hit sector remains Civil Aerospace which had a major impact on the Integration and Design BUs, but the Group saw a strong recovery in orders over the last quarter in all three BUs:

- A major internal CSR awareness campaign;
- The implementation of investments linked to our recovery plan ;
- The development of a CSR approach with the publication of the first Extra-Financial Report and the completion of the 1, 2 and 3 Scope of the CO2 Balance;
- Closure of NSE Téléservices in Morocco and NSE Equipements in France;
- The Ministry of the Armed Forces notification of the Mercure market to the French group bringing together NSE, SAFRAN ELECTRONICS & DEFENSE, SOFEMA and THALES
- Finalization of our Ambition 2025 strategic plan, including CSR in our 5 strategic priorities.
- QUALIRÉPAR label awarded

Main trends and factors that could influence the Group's development

- Increasingly complex and demanding regulations in the areas covered by the Group;
- Growing tension in the skills market. De-industrialization in France has led to a scarcity of technical skills. Medium-sized companies like NSE are not being targeted as a priority by candidates, who are turning more to large groups;
- Customers are paying increasing attention to their suppliers' CSR performance, particularly in terms of energy and climate policy (GHG emissions measurement and strategy aligned with the Paris Agreements), or to an Ecovadis-type assessment. These criteria are appearing more and more in the calls for tenders to which NSE responds;
- The Ukrainian conflict has created strong tensions on the direct cost of energy and raw materials. On the other hand, this conflict has created opportunities linked to the rise in military budgets in Western countries, including France. The effect is already visible in our equipment and spare parts procurement markets;
- The French Military Planning Act, passed in mid-2023, will generate development needs from which the Group will be able to benefit. An analysis is underway to determine the impact on NSE;
- The AGECE (no waste for a circular economy) law encourages the repair of products rather than replacement, which could mean an increase in repair work for NSE over the next few years;

Responsible business development objectives

To support the growth of its activities, the Group will continue to focus its strategic actions on developing new markets, improving competitiveness and deploying its offerings internationally. Over the coming six months, NSE will continue to implement an ambitious industrial investment plan to support its diversification and development. This plan includes, among other things, an overhaul and modernization of the BUS information system, as well as the digitization and automation of processes in the Integration BU.

In developing its business, the Group has taken into account growing social awareness of inequalities and environmental imbalances, the emergence of new risks amplified by global interdependence (cyber security, pandemics, social fractures, conflicts, etc.) and the need to maintain a web of interactions with its suppliers, customers and international/local partners that support innovation and competitiveness, in line with the ecological transition.

In particular, NSE has listened to its customers, who expect their partners to take account of these societal expectations, which are increasingly reflected in the regulations imposed on them.

TESTIMONIAL



NSE is a driving force behind proposals to replace products (equipment, spares, accessories) with a high carbon impact by more virtuous alternatives (especially those manufactured in France). We are also in close contact with our customers to help them develop their contracts so that they take better account of environmental optimization (pooling of transport, use of shuttle crates rather than non-returnable packaging, etc.).

Gauthier Lepers

Director
Defense Services

At the beginning of 2021, NSE therefore resolutely committed itself to implementing a Corporate Social Responsibility (CSR) approach, which involves all its teams. The strategy responds to important axes for both the company and its stakeholders: recruiting and retaining the technical skills the Group needs, affirming the priority nature of relations with suppliers and subcontractors essential to the quality of the business by developing responsible purchasing, maintaining the feminization of management, defining a strong ambition in environmental matters while disseminating the best practices already in place within the Group.

VISION AND PROSPECTS

CORPORATE SOCIAL RESPONSIBILITY

TESTIMONIAL

“

What impact does the CSR approach have on your occupation?

The CSR approach has become increasingly important for businesses in recent years. It involves voluntarily integrating social, environmental, and economic concerns into their activities and interactions with stakeholders. From a business perspective, CSR offers several advantages:

- 1 First and foremost, it helps enhance the company's reputation by demonstrating its commitment to society and the environment. However, it is essential to be vigilant and avoid falling into greenwashing, which can sometimes have the opposite effect.
- 2 Furthermore, CSR can promote innovation and, consequently, competitive differentiation. By incorporating social and environmental considerations into our service offerings, we can better address the challenges and needs of our client organizations, aligning with those of consumers.
- 3 Finally, it has become today a prerequisite for some clients. In other words, if we are not genuinely and sustainably committed to a CSR approach, we may no longer be able to work with certain brands (existing clients or prospects) that consistently include a significant rating on this criterion in their tenders or inquiries. The CSR approach, therefore, potentially provides us access to new markets and new clients.



Antoine GUIONY
Sales Engineer - Consumer Electronics Sector

"The CSR approach has a growing influence in shaping our offerings as well as in our sales pitch."



Can you provide a concrete example?

A little over a year ago, we started engaging in discussions with a group that owns several brands in the tools and gardening sector.

Beyond logistical and financial considerations, their real concern was the reconditioning of their Unpacked Defective Items (UDI)

It was a clear loss that represented a significant financial challenge for the group. However, their main objective is indeed to give a second life to their products whenever possible, rather than discarding them systematically, as they had been doing until now.



We worked together on establishing an organization around the management of this flow, with the main objectives being:

- 1 The reduction of the number of Unpacked Defective Items (UDI) returned to the store. Currently, consumers are systematically resolved with a credit or an exchange for a new product, which encourages overconsumption and the disengagement of both the customer and the retailer.
- 2 The refurbishment of these defective products. These items are practically new, and it is important to give them a second life to reduce the environmental impact they currently have when being discarded
- 3 The valorization of these defective products. These refurbished products will be sold through a secondary circuit other than the DIY Superstore. Financially, they will enable our client to limit the clear loss currently represented by this flow, and consumers to access almost new products at preferential rates.

« NSE and its client are thus engaged in a genuine collective and responsible approach, in which the concerns of each party (environmental, societal, financial, etc.) are respected. »

IMPLEMENTATION OF THE CSR APPROACH

The organization of the approach

The initiative was initiated in 2020 with the creation of an CSR (Corporate Social Responsibility) manager position reporting to the Quality Department. It was further confirmed in 2021 with the decision to develop a comprehensive strategy and initiate a first reporting in 2022 for the fiscal year 2021. **The decision to link the initiative to the Quality Department is based on a strong track record in terms of customer feedback and Quality Management System management**

Implementation of the 'CSR relays

Recognizing the importance of establishing a close dynamic with employees, in 2022, an CSR relay group was formed. These CSRrelays, appointed on a voluntary basis with the agreement of their manager, are tasked with promoting the CSR approach among colleagues and generating suggestions from teams. They serve as the direct link with the field.

The relays underwent specialized training provided by an CSR expert, covering a comprehensive range of issues. The goal is to enable them to better embrace the CSR approach and facilitate its transmission.

The NSE relays to embed CSR in daily life



Steering Committee - a key role

The CSR steering committee, composed of representatives from the purchasing services, human resources, the Management, and the CSR department, plays a crucial role in the establishment and management of CSR-related actions. Its main mission is to oversee the implementation of CSR within the Group, promoting and sharing CSR ambitions. Additionally, this committee approves the actions to be undertaken by 2026, categorizing themes based on the stakeholders involved.

The Executive Board of Directors to oversee the deployment of the CSR strategy

Comprising 3 members, the Executive Board of Directors ensures the proper deployment of CSR commitments and validates strategic axes.

TESTIMONIAL

Why did you choose to be an CSR relay?

I am fortunate to find fulfillment in my work, even if it's a bit idealistic, I want to believe in the concept 'I love my company.com.' Moreover, I am convinced that being proud of one's company greatly contributes to the well-being of employees. To achieve this, we cannot rely solely on the company, which does not have the same expectations as the employees. Therefore, I have decided to become an RSE relay to contribute my part and make NSE a more pleasant place for both us and our planet.

How do you fulfill this role on a daily basis?

I wouldn't go so far as to say that I have daily tasks as an CSR relay. However, I never miss an opportunity with my colleagues at the Soyons site to discuss topics such as the environment, energy consumption, or social well-being. This allows me to gather ideas for actions that NSE could undertake and sometimes create a kind of dynamic that encourages everyone to question the role they could play.



Joffray SOPHYS
Integration Installation Engineer and CSR Relay at the Soyons site

"I decided to become an CSR relay to contribute my part and thus make NSE more pleasant for both us and our planet."



IMPLEMENTATION OF THE CSR APPROACH

Current status of certifications, regulatory watch

Each Group site is certified according to one or more standards, depending on the activities carried out and their impact on quality, safety and/or the environment.

CERTIFICATIONS				
	ISO 9001 : 2015	ISO 14001 : 2015	EN 9100	EN 9110
Sites	All NSE sites except Aulnat	Abrest, Brive, Taverny and Varennes sur Allier	Soyons, Riom and Nizerolles	Brive and Taverny

LABELS	
QUALIRÉPAR	
Sites	Abrest Obtained in December 2022

Current certification and labeling projects :

NSE is in the process of obtaining REMPARTS certification (Security in the Banking sector).

NSE has launched a project to obtain ISO 27001 certification, the international standard for information security, and to join the Aircyber Program in cybersecurity. Completion is scheduled for the second half of 2024.



Regulatory context regarding extra--financial reporting

In accordance with the provisions of Article L. 225-102-1 (as NSE's shares are not admitted to trading on a regulated market and its balance sheet total or sales do not exceed 100 million euros), the Group is not required to produce an extra-financial report containing the information specified in Article R 225-105-1 I and II. Nevertheless, the Group has decided to publish a 2nd edition of its extra-financial reporting on a voluntary basis, in order to provide tools for its CSR approach and share it with its stakeholders.

Reporting parameters

The scope of extra-financial reporting for this 2nd edition, as for the 1st, concerns only entities located in France.

The reporting period

The quantitative indicators cover the period from January 1, 2022 to December 31, 2022.

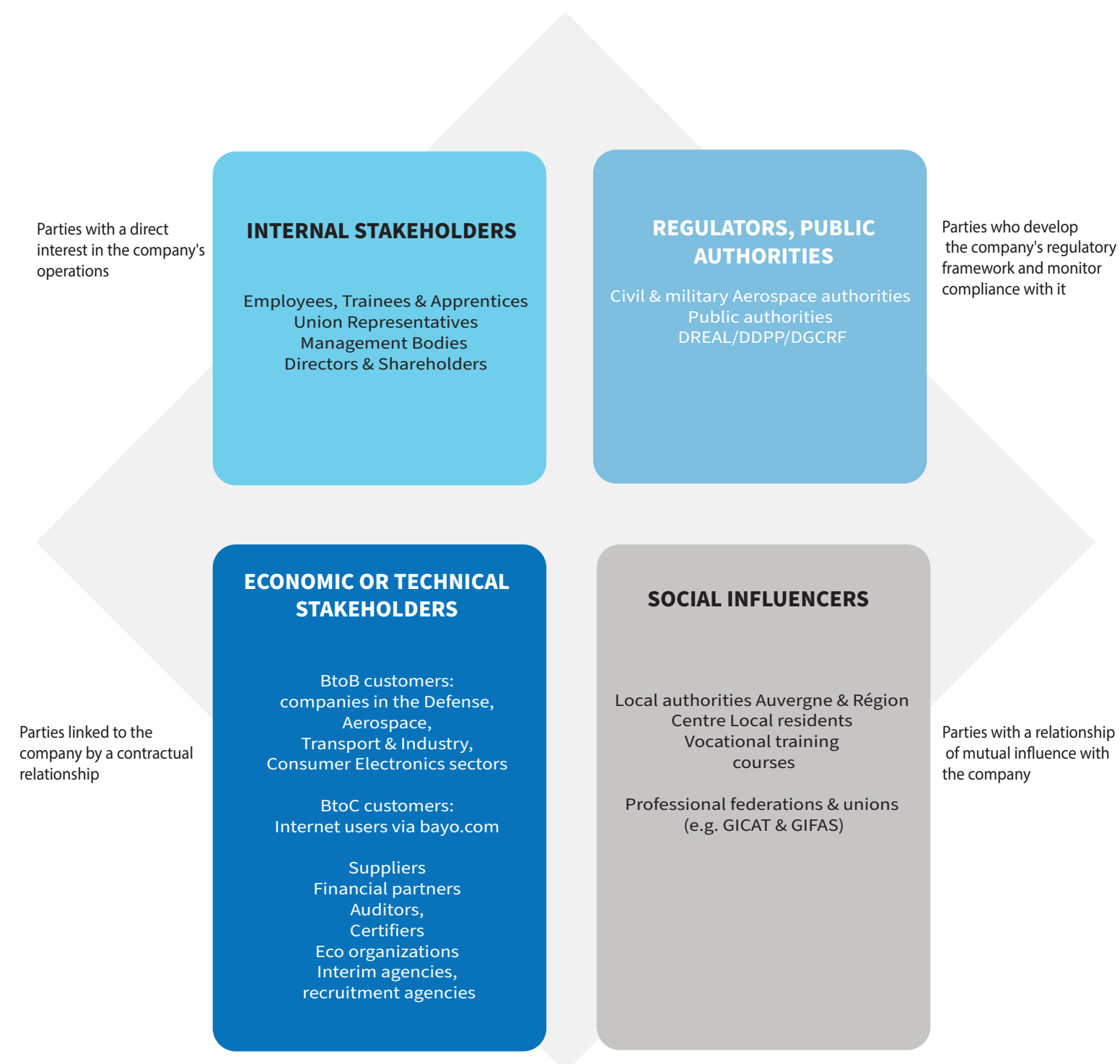
APPROVALS							
	PART 145	PART 145	TCAC	EMAR/FR145	PART 21J (APDOA)	PART 21G	CAA UK 145
Sites	Brive, Taverny, Aulnat, Soyons	Brive, Taverny, Aulnat	Brive, Taverny,	Brive, Taverny,	Soyons and Riom	Soyons and Riom	Soyons, Brive, Taverny and Aulnat



STAKEHOLDERS MAPPING

The NSE Group's CSR approach is designed to ensure economic development while taking into account the expectations of its various stakeholders, as well as the major ecological and social challenges facing society. The approach is therefore based on listening carefully to the players in the Group's ecosystem. The mapping of stakeholders and the identification of dialogue methods were carried out in 2021.

Based on interviews with Group employees and benchmarks, the following picture emerges:



MODALITIES OF STAKEHOLDERS

Internal stakeholders	Types of exchange
Employees and Employee Representative Bodies	<ul style="list-style-type: none"> . Operational Management Committees; operational update according to teams and managers . Internal surveys . Feedback on suggestions for improvement (e.g. Covid management) . Staff briefing . Annual performance reviews and professional interviews (every two years) . Dialogue with social partners, CSE meetings, negotiation of agreements
Shareholders and investors	<ul style="list-style-type: none"> . Annual General Meetings of Shareholders . Investor presentations, quarterly notes, annual and half-yearly reports, regular communication on the company's outlook . Regular, transparent communication with insurers and accountants . Meetings with financial analysts . Regular communication with lawyers and banks
Business or technical partners	
Customers	<ul style="list-style-type: none"> . Questionnaire sent to customers twice a year by BU, followed by Group-wide analysis of feedback by the Quality department. . Process reviews twice a year. . Quarterly newsletter and internal newsletter . LinkedIn page . Websites . Corporate brochures . Participation in trade shows according to business sector
Suppliers and subcontractors	<ul style="list-style-type: none"> . Supplier evaluation questionnaires . General purchasing conditions, contracts . Regular dialogue during the course of contracted operations
Civil and military authorities Public authorities	<ul style="list-style-type: none"> . Publication of audit results, approvals, certification and all mandatory documents. . Publication of first extra financial report.
Professional ecosystem	<ul style="list-style-type: none"> . Membership and active participation in trade association events . Support for military reserve policy
Territory, associations and NGOs	<ul style="list-style-type: none"> . Support for entrepreneurship, local events and sports associations . Partnerships with rehabilitation associations (e.g. E2D) . Involvement of employees in community initiatives during solidarity days (e.g. Christmas Challenge / Emmaüs Solidarité). . Participation in corporate relay races

CSR CHALLENGES AND GROUP STRATEGY

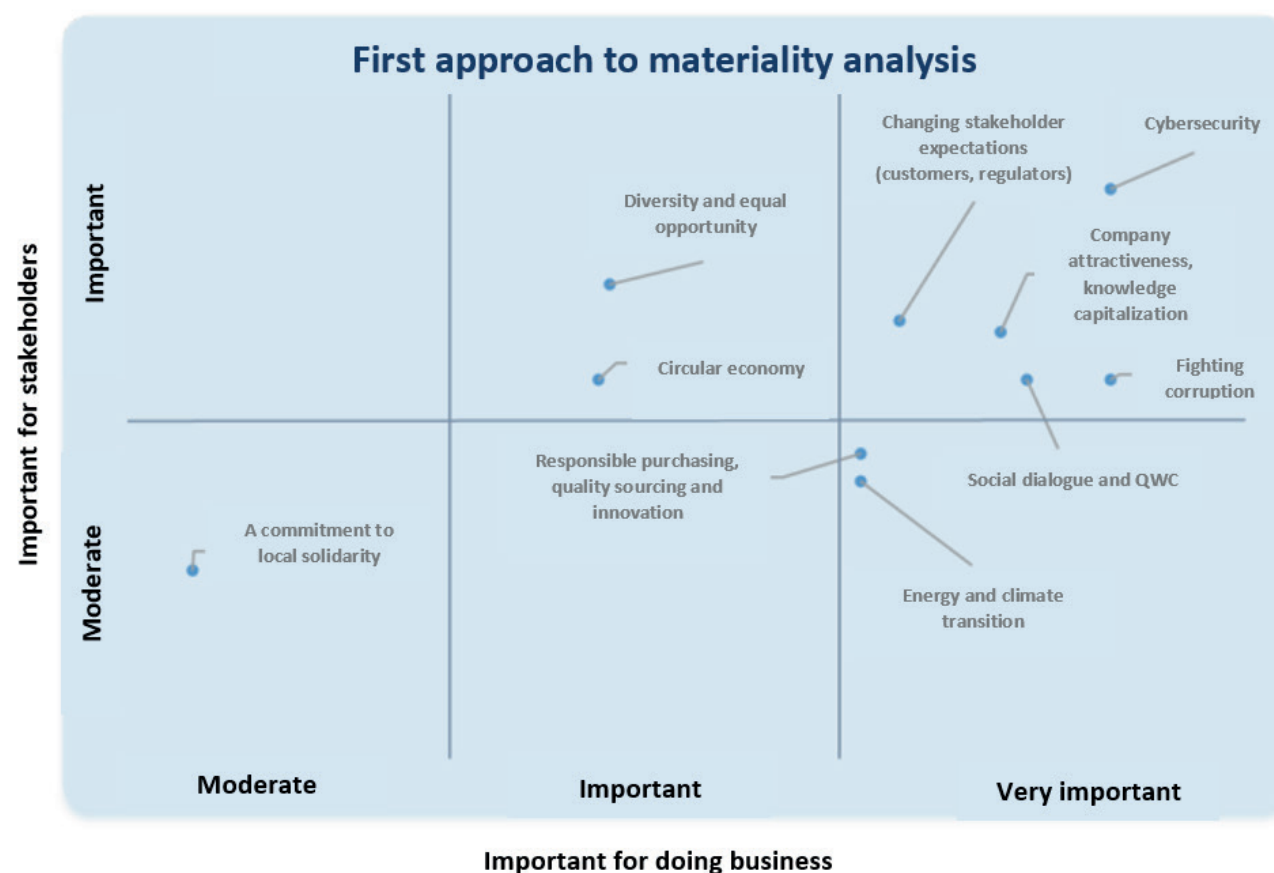
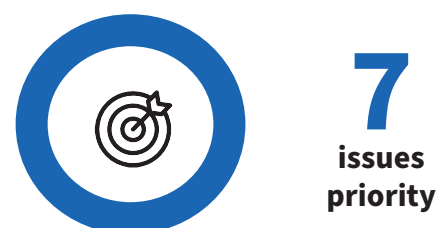
In 2021, the NSE Group conducted its first materiality analysis, which led to the identification of 9 priority issues.

NSE Group materiality matrix

The result of the analysis is presented in the form of a matrix, with the stakeholders' level of expectation for each issue on the ordinate and the importance of that issue for NSE's business on the abscissa. The material issues for NSE are positioned according to 3 levels of priority:

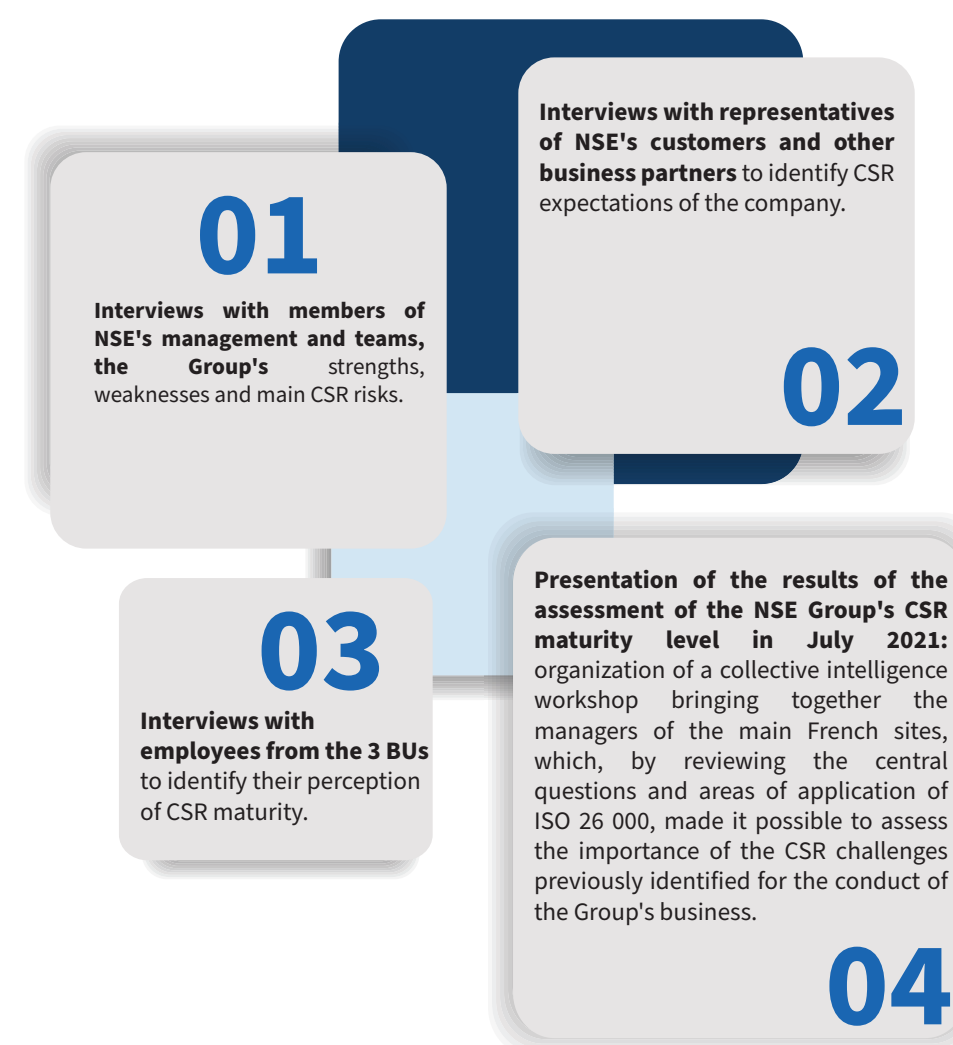
This first materiality matrix was produced in collaboration with A2dm. consultancy firm. It will be revised periodically to guide our CSR strategy.

The material issues for NSE are positioned according to 2 levels of priority



Reminder of the methodology used

To support its risk analysis, NSE conducts a SWOT study at Group level and for each of its processes. SWOT elements are evaluated and mitigated where necessary. SWOTs and ratings are reviewed periodically. To carry out this analysis, **NSE has set up a digital tool to centralize the identification of risks and opportunities, their assessment and the status of associated preventive actions.** Similarly, any operational risk identified at process level is processed and recorded in the same way. To extend this approach to the challenges of social responsibility, NSE conducted a study of the company's perception of risks and opportunities, as well as its maturity in terms of CSR, with the consulting firm A2DM. This collaborative effort also led to the mapping of the Group's stakeholders. The entire study is based on the ISO 26 000 standard.



NSE will carry out a comprehensive review of its materiality approach, in response to the European CSRD (Corporate Sustainability Reporting Directive). This new regulation will apply to the NSE Group in 2026 for the 2025 financial year.

This methodological approach is consistent with the materiality of the issues identified in the main international reporting standards (GRI, IIRC, SASB).

NSE GROUP'S MAJOR COMMITMENTS & SUSTAINABLE DEVELOPMENT OBJECTIVES (SDO)

Following on from the materiality map, the Group has defined its areas of commitment.

These cover the nine key issues as well as other actions. The Group is also committed to social responsibility.

NSE FOR A SUSTAINABLE FUTURE



TESTIMONIAL



Cécilia De Carvalho
CSR Manager



Thanks to the identification of our priority issues, we were able to draw up a clear roadmap up to 2025. In 2022, we have set up action analysis sheets to respond to the strategic axes defined in our Ambition 2025 Plan. Each action sheet is assigned to a designated pilot, enabling us to make effective progress. Our workstreams are solid and our deadlines are realistic.

On a day-to-day basis, our challenge is to develop a CSR culture within NSE, thanks to our well-created organizational structure. The CSR relays will play an essential role in this deployment. This year's main thrusts were the completion of our carbon footprint and the raising of CSR awareness among all employees. These actions have already had a major impact on our future initiatives.

We continue to pursue our actions together, emphasizing collaborative and participative work, which are the key words of our approach.

SHARING STRATEGY, RAISING AWARENESS OF CSR

In February 2021, the entire NSE department was made aware of the challenges of CSR and the NSE business sector in particular. A brainstorming workshop was held to give the Directors a factual grasp of these issues.

In April 2023, the "CSR Awareness Month" was held, to shed light on the main CSR concepts and share the Group's strategy with all employees.

This operation was carried out thanks to the contribution of a project group made up mainly of field employees from all sites. Video content was created, giving a wide place to the expertise and commitment of internal players.

TESTIMONIALS



We had to put together all the communications that were distributed each week of the awareness month. This was done in the form of a workshop with all the relays and Cécilia, our CSR manager. Then, during the broadcasts, the aim was to relay the information to employees. It was important that everyone viewed the videos and took part in the various questionnaires. After the videos, it was time for discussions with the teams.

Delphine CORRE – Quality Manager and CSR Relay



I really enjoyed this year's CSR awareness campaign. It enriched my general knowledge and made me even more aware of my environment on a daily basis. What I appreciated most was the use of video material.

At the Taverny site, we watched these videos together. This enabled us to share a convivial moment and discuss internal practices.

Daniela ROSIORU – Store and Logistics Manager
Taverny site



Wednesday April 5
"What is CSR?" A presentation of CSR relays, an explanation of CSR, the 17 objectives of Sustainable Development and the Group's commitment.

Wednesday April 19
"Exemplary Employer": A description of the company's QLWC approach, accompanied by an announcement of a dedicated QLWC questionnaire, advice from a specialist on quality sleep, HR and management interviews, and employee testimonials on the company's equal opportunities and diversity policy, attractiveness, talent retention and knowledge capitalization, illustrated by actions carried out with schools in the sector.



Wednesday April 12
"Responsible Enterprise": An interview with the heads of Legal Affairs, Responsible Purchasing and Cybersecurity.



Wednesday April 26
"Sustainable Company": Understanding global warming in just a few minutes, a reminder of everyday eco-actions, a look at digital pollution and NSE's energy projects.



Result of CSR awareness aimed at all employees

68%
of satisfied employees

+1 000
views for CSR videos during awareness month

92%

of employees who responded to the questionnaire feel concerned by the CSR approach

What was most appreciated during CSR awareness

- The choice of means of communication (video format)
- The content of the topics
- The choice of subjects

The main priority actions identified by respondents are as follows:

- Achieve overall energy savings (improved building insulation, completion of the transition to LED lighting) and explore alternative solutions such as renewable energies.
- Install charging stations
- Reduce the number of e-mails and work further on reducing digital pollution.
- Improve the company's attractiveness by working together on human resources policy, quality of working life and diversity.

POLICY ON THE MOST MATERIAL ISSUES

Cybersecurity

In an increasingly digital world, cyber threats are becoming more and more prevalent. These threats are manifold, and can affect different aspects of a company, such as:

- Its reputation and image
- Productivity
- Sensitive information such as industrial secrets, personal data and customer data.
- Customer satisfaction

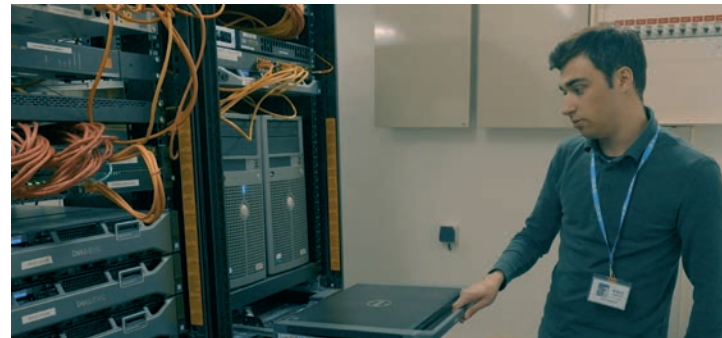
In 2021, NSE carried out 28 security audits on all aspects of its Information System.

These audits were completed by an audit in 2022. All these audits have made it possible to specify a comprehensive action plan which is being implemented on a daily basis. In order to validate the Information System Security Management System (ISSMS), NSE has launched an ISO 27001 certification procedure and an AirCyber certification project. These 2 objectives should be achieved by summer 2024.

To respond to the various threats, NSE has set up an organization with a dedicated team to manage security issues, as well as a comprehensive arsenal of state-of-the-art software and hardware. These include SIEM, antivirus, network architecture with bastions and demilitarized zones, enhanced mastery of on/off boarding, etc.

As regards the development of IT applications, NSE has undertaken a transformation to integrate security and privacy by design. Finally, security is integrated into the Quality process for the provision of information systems, with an ambitious objective of zero major security incidents.

This process is monitored on a monthly basis, and was recently audited.



Attack vectors are common to all industries: phishing, DDOS attacks, social engineering, malware, privilege abuse, website attacks, identity theft, human error etc...

The nature of NSE activities and the sensitivity of customer data mean that the subject of cyber crime must be taken with the utmost seriousness and rigor.

Some key figures



INTERVIEW



Cédric Zoeller - CIO

Cybersecurity and all the related threats are a major issue for companies. How does NSE position itself in relation to this strategic subject?

Indeed, information systems security (ISS) is an essential element of corporate strategy. Security breaches can have serious consequences for a company like NSE. The threats are numerous: business interruption, leakage of confidential and sensitive data, loss of customer confidence, etc. To ensure that it has the appropriate countermeasures in place, the NSE group has developed a solid organization, methodology and infrastructure that is constantly being reviewed.

But how can NSE guarantee its customers that its security is always up to date and at the highest level?

In order to demonstrate the solidity of its Information System Security Management System (ISSMS), the NSE Group is undertaking several projects. Two major projects have begun in 2023: registration for the AirCyber program with the aim of obtaining at least the AirCyber Bronze label, and the ISO 27001 certification project.

Can you give us more details about the two projects sites?

AirCyber is a service offered by BoostAerospace (Thales, Safran, Dassault, Airbus). This service enables collaboration and secure digital exchanges within the aerospace and defense industry's supply chain. NSE's activities in AirCyber's areas of application naturally led us to join this service offering. We responded to a Cyber maturity survey, completed by a physical audit.

This survey and audit resulted in an action plan to obtain a label. The AirCyber label is recognized by all stakeholders in the aerospace industry.

The ISO 27001 project aims to obtain the associated certification. This international standard validates that the system put in place to manage information system security risks complies with best practices. For example, by identifying the threats to the information system and the associated risks, the ISO 27001 standard makes it possible to draw up an appropriate information system security policy (ISSP), and to associate the necessary means of protection with this policy.

"It's essential for NSE to reassure its customers about its ability to protect them, so ISO 27001 provides a factual answer to questions that may legitimately arise."

General Data Protection Regulation

In a world where data has become a precious resource, protecting privacy is an absolute priority. Data protection is an integral part of our ethical and responsible approach to our partners, employees and customers. NSE has taken concrete steps to guarantee the confidentiality of personal data. To promote a culture of respect for personal data, NSE has drawn up reflex sheets concerning the GDPR. These sheets serve as practical guides for employees. They have been communicated to all employees to raise awareness of the importance of data protection. Wishing to ensure that all employees are fully informed and trained on the fundamental principles of the GDPR, NSE has planned to organize workshops based on the reflex sheets. The aim by the end of 2024 is to offer employees a good understanding of the General Data Protection Regulation.

POLICY ON THE MOST MATERIAL ISSUES

Ethics in business and relations with stakeholders

The Ethical Charter currently in force is available to employees and external stakeholders, and has been published since 2022 on the NSE website in French and English. In particular, the Charter reiterates the need for Group employees, suppliers and partners to comply with national and international anti-corruption regulations. The Charter also mentions the need to eliminate any situation that could potentially give rise to a conflict of interest. As part of its compliance policy, NSE has updated its processes, which are set out in its new Ethics and Corporate Responsibility Charter, which has been the subject of awareness-raising campaigns since June 2022.

The new Charter reinforces all existing principles by structuring them around three themes:

- Human Resources,
- Business relations,
- Protection of information and assets.

We also remind you of the imperative nature of this Charter and the conditions for monitoring its application.

NSE has undertaken a series of actions to ensure that the Charter is deployed: Regular renewal of the Executive Board's commitment to ensuring compliance with the Charter by all NSE employees. In-person and off-site awareness-raising sessions for NSE employees on the application of the Charter, particularly with regard to conflicts of interest and the prevention of corruption, illustrating the different types of behaviour to be avoided as likely to constitute corruption. The awareness-raising campaigns launched in 2022 have raised the awareness of over 45% of employees in the functions most exposed to risks, notably corruption.



The procedure that applies to alerts was also implemented in 2022:

- 1 In matters of public health and environment (Article L4133-1 of the Labor Code), In matters of serious and imminent danger (Article L4133-1 of the Labor Code),
- 2 In the event of a serious and manifest violation of an international commitment regularly ratified or approved by France, a unilateral act of an international organization taken on the basis of such a commitment, the law or regulations, or a threat or serious harm to the general interest (Article 6 of the law of December 9, 2016 n°2016-1691), In matters of violation of any of the principles of the ethical charter.

This general alert system is explained as part of the ethical awareness training provided to Group employees.

INTERVIEW



Aurélie DUFOUR

Buyer

How has the Ethical Charter training helped you in your day-to-day work?

This training was important for buyers in the context of the CSR approach launched by NSE for several reasons.

Everyone has an idea of what we mean by an ethical charter, but it's based more on a vague notion and thus on an individual interpretation. This training course therefore enabled us to define precisely what the company means by an Ethical Charter and, by extension, what it expects of us. The ultimate aim is to prevent unethical behavior and ensure legal compliance.

The economic stakes are not necessarily in phase with these notions, and the buyer has an essential role to play in choosing the supplier/subcontractor with whom to work, for example. Knowing and mastering these concepts means making responsible choices.

Finally, it also enabled us to exchange views on our constraints and problems, which we shouldn't shy away from, but rather find alternatives and solutions to what sometimes seems unavoidable.

Evolution of customer and regulator expectations in terms of quality



The Group is particularly attentive to the quality of its products and services, as demonstrated by its Quality approach, the organization in place and the certifications obtained. In addition, specific action plans have been implemented in recent years to achieve performance in line with the expectations of our customers, and more generally of the Defense and Aerospace sectors. These action plans have been effective, as our performance in terms of OTD (On Time Delivery) and OQD (On Quality Delivery), among others, has improved significantly. In addition, as part of the diversification of our activities, NSE is developing its MRO (aircraft maintenance) business. NSE has invested in training for support staff (aircraft license and qualification) to enable it to respond to new Cyber security markets.

POLICY ON THE MOST MATERIAL ISSUES

Responsible purchasing policy and Sourcing quality



Effective supply chain management offers many benefits, including continuous production of electronic components and controlled procurement costs. In addition, compliance with international human rights and environmental standards throughout the value chain has positive consequences for NSE.



To seize opportunities, the Group develops **sustainable partnerships with its strategic suppliers**. Consequently, the NSE Group has decided to affirm the priority nature of its relationships with suppliers and subcontractors, who are essential to the quality of its business, and to make sustainable sourcing a component of its CSR policy. Details of our responsible purchasing policy are given in the section entitled "Responsible purchasing policy".



The deployment of the responsible procurement approach is a priority, and one of **the initial steps is to train all Group buyers in the principles of responsible procurement**. This training, scheduled for 2023, will provide a better understanding of the integration of economic, environmental, and social dimensions into procurement, as well as the development of overall and sustainable performance.



One of our commitments to Corporate Social Responsibility (CSR) is the completion of the carbon footprint assessment, and as such, supplier emissions are included in the scope 3 of the carbon footprint. To achieve this, a questionnaire was sent to our main suppliers in 2022 to obtain a more accurate understanding of their environmental impact and climate strategy.

In addition, the supplier accreditation process was modified in 2022 to incorporate CSR criteria.



FOOTPRINT

Energy and Climate Transition

As the climate crisis continues to threaten our planet, it has become essential to be aware of our impact on the environment and act accordingly.

In 2022, ADEME and Bpifrance launched the Diag Décarbon'Action in collaboration with the Bilan Carbone Association to support the ecological and energy transition of French companies. NSE decided to join this initiative in the second half of 2022.

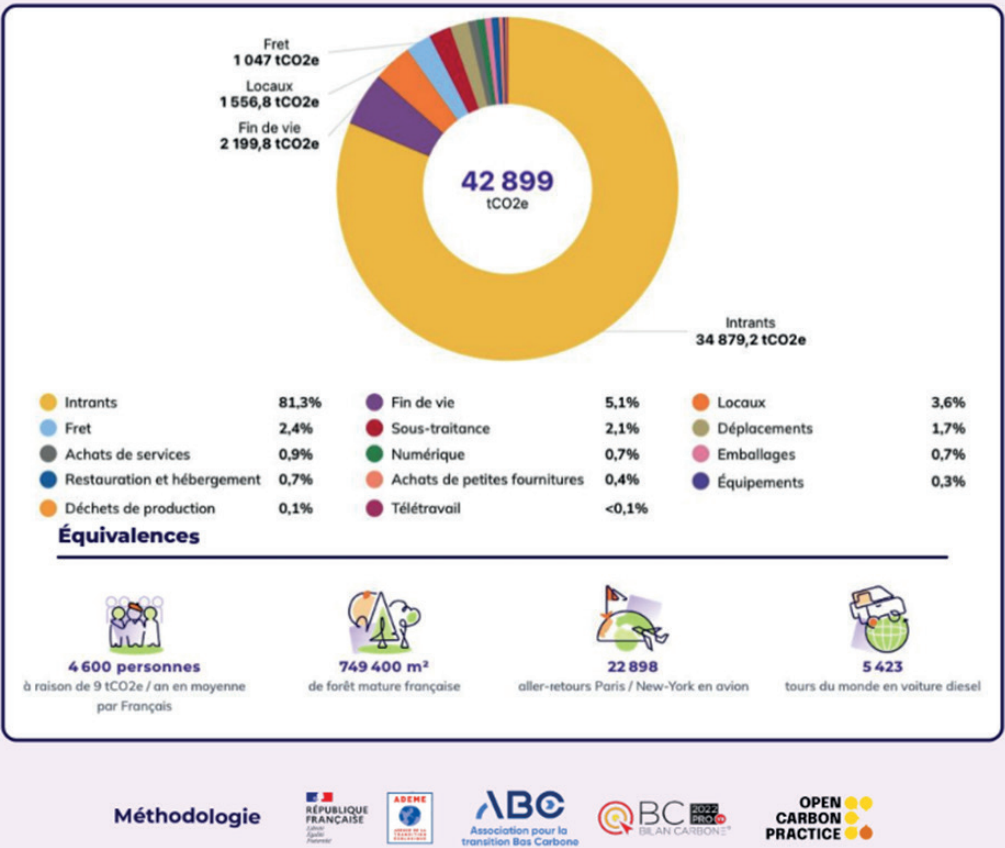
The Group measured its greenhouse gas emissions for the year 2021 across all scopes 1, 2, and 3, except for the part of scope 3 related to product use. This carbon footprint was conducted by the company SAMi.

This carbon footprint is an essential tool to understand our impact on the climate. By becoming aware of our carbon footprint, we can identify areas where we have the most influence and opportunities to reduce our emissions.

Following this analysis, the Group is in the process of finalizing its action plan to reduce its carbon footprint, following a trajectory by 2026.



Overall Result, Carbon Footprint 2021 (French version)



Scope 1

The direct greenhouse gas emissions, mainly resulting from the combustion of fossil fuels for heating or company vehicles.

Scope 2

The indirect emissions associated with the production of electricity and heat.

Scope 3

All other indirect emissions from the value chain (travel, purchases, waste, etc.). This scope also encompasses most of the emissions.

FOOTPRINT

Methodology

The objective of a Carbon Footprint is to measure all emissions physically necessary for a company's activity (we can talk about a physical carbon dependency), including its upstream activities (supply, freight, etc.) and downstream activities (distribution, use of products sold, etc.). Emissions are calculated by multiplying an activity data point (physical or financial) by an Emission Factor derived from a reference database (carbon database, ADEME's impact database, etc.). A comprehensive data collection has been conducted within NSE.

THE ECONOMIC CARBON INTENSITY OF NSE



Economic intensity is the ratio of our CO2e emissions to our turnover for the reference year.

THE CARBON INTENSITY PER EMPLOYEE OF NSE



Employee intensity is the ratio of emissions related to our employees to the average workforce during the year. It only concerns certain items, namely: travel, meals, IT products, office, and telecommuting. The average workforce is measured in full-time equivalents (FTE).

Extract from carbon action plan

Position concerned	What does this item include?	Action to be implemented	Objective	Reduction potential*
Transportation	This item covers emissions linked to regular employee travel between home and their main places of work.	Establish a system of carpooling	Divide individual emissions, reduce the number of parking spaces used, limit the costs of travel for employees, and finally strengthen corporate cohesion.	- 103,5 tCO2e
Digital purchasing	This item covers emissions linked to digital purchasing.	Implement the eco-gestures of digital sobriety: engaging and visible communication on the premises, reasoned data storage, etc.	Reducing digital emissions	-26,8 tCO2e
Production	Emissions from raw materials...	Initiate an eco-design process for products	Eco-design means a commitment to minimizing carbon, environmental and societal impact.	-3 707,9 tCO2e
Freight	Freight emissions are calculated by multiplying the weight transported by the distance covered, for each mode of transport.	Choose the most local suppliers possible.	Taking location into account when choosing suppliers is essential to reduce the share of emissions associated with the transportation of inputs.	-220,5 tCO2e

*The reduction potential of actions is estimated on the basis of the 2021 carbon footprint and the potential for implementing actions at NSE.

CIRCULAR ECONOMY

The circular economy consists in producing goods and services in a sustainable way by limiting the consumption and wastage of resources and the production of waste. Today, the NSE approach mainly concerns packaging. It will be extended to other activities in the future. The circular economy generates savings through reduced consumption of resources (materials, energy, water) and reduced waste generation.

NSE was awarded the QUALIRÉPAR label in December 2022.

The QualiRépar label is a quality label launched in France in 2022 by the eco-organizations, under the impetus of the government and the AGECE law (no waste for a circular economy), to encourage the repair and maintenance of household appliances, electronics and IT equipment, after the legal warranty period.



NSE has been selected for its expertise and know-how in the repair of electronic devices, guaranteeing quality services, and therefore a guarantee of confidence for manufacturers, distributors and consumers.

This label fits in perfectly with our CSR approach, and will enable us to consolidate our current out-of-warranty repair flow and capture new business.

INTERVIEW

Can you explain QualiRépar certification?

QualiRépar certification is a recognized standard in the Consumer Electronics sector, attesting to the quality of our repair services and our commitment to our customers. It attests to various criteria such as :

- 1** Repair quality: QualiRépar certification guarantees that repairs carried out by certified professionals meet quality standards. Technicians are trained and qualified to carry out repairs in line with manufacturer specifications, ensuring reliable, long-lasting workmanship.
- 2** Confidence and transparency: By choosing a QualiRépar-certified repair shop, consumers can have confidence in the expertise and know-how of our professionals. Certification also guarantees transparency in the information provided to customers, such as the nature of the repairs required, the parts used and the associated costs.
- 3** Respect for the environment: QualiRépar certification encourages sustainable, environmentally-friendly repair practices. Certified workshops are committed to repairing rather than replacing parts, which helps to reduce electronic waste and carbon footprint.
- 4** Warranty and after-sales service: Repairs carried out by QualiRépar-certified workshops come with a warranty on the labor and parts used.
- 5** Access to quality parts: QualiRépar-certified workshops have access to original spare parts, ensuring that repairs are carried out using reliable, long-lasting components. This helps maintain the performance and value of repaired products.

Why did NSE decide to get it?

We decided to obtain this certification for several reasons. Firstly, to confirm our customers' confidence in our repair services, and secondly, by being QualiRépar certified, we demonstrate our commitment to offering quality services, carried out by competent technicians.

Secondly, this certification sets us apart from our competitors in the market. In a sector where competition is fierce, it's essential to be able to stand out by offering an additional guarantee of quality.

QualiRépar certification gives us this opportunity, attesting to our seriousness and commitment to customer satisfaction.

Finally, thanks to the repair bonus, this certification helps to reduce repair costs. This directly reduces the financial burden on consumers, encouraging them to opt for repair rather than the purchase of a new item, which is one of the objectives of the AGECE (No-Waste for a Circular Economy) law, which initiated this certification. So it's only logical that NSE should participate in the transition to a circular model that favors the repair of electronic equipment, one of the company's core and historic activities.



Loïc GARLOT

Sales Manager - Consumer Electronics sector

What are the concrete advantages that this certification brings to your company?

The benefits are many. Firstly, QualiRépar certification enables us to retain our existing customers and attract new ones. It reassures our customers of the quality of our services, and gives us a definite competitive edge. What's more, certification pushes us to maintain a high level of quality in our repair services, and encourages us to strengthen our processes and train regularly. This enables us to offer our customers ever-better repair services and meet their specific needs. Finally, QualiRépar certification also strengthens our reputation and brand image. As a certified company, we gain recognition from our business partners (manufacturers, distributors, consumers) and regulatory bodies. It also opens up opportunities for collaboration with other industry players and strengthens our market position.

SUMMARY OF ACTION PLANS RELATING TO THE MAIN EXTRA-FINANCIAL IDENTIFIED CHALLENGES AND 2022 RESULTS

Material issues	Potential negative impacts	Summary of actions taken	Indicators	Results
ENTREPRISE RESPONSABLE				
Fighting corruption	<ul style="list-style-type: none"> . Legal risk and financial penalties . Reputational risk 	<ul style="list-style-type: none"> . Communication and awareness-raising on the ethical charter to be shared with suppliers and employees most at risk . Comprehensive warning system in place 	Percentage of exposed employees trained in corruption prevention	70% of employees in functions most exposed to risk will be aware of the risks by 2022
Changing stakeholder expectations (increased regulation, competition and societal expectations)	<ul style="list-style-type: none"> . Risk of loss of orders and business volume due to the downturn in the aerospace market . Risk to the company's reputation 	<ul style="list-style-type: none"> . Continuation of quality management policy with recognized certifications . Continue to maintain optimum service quality (operational excellence) and continue to strengthen our methods. 	Renewal rate of our certifications	<p>Successful renewal of our certifications for all sites at 100%.</p> <p>A new ISO 14001 certified site in 2022</p>
Cyber security	<ul style="list-style-type: none"> . Risk of cyber-attack and loss or corruption of strategic information . Lack of customer and partner confidence . Damage to corporate image and reputation 	<ul style="list-style-type: none"> . Reinforcing procedures, protection and organization for IT system security . Training of key personnel 		ISO 27001 certification and Aircyber label launched
Responsible purchasing, quality sourcing and innovation	<ul style="list-style-type: none"> . Risk of electronic component production stoppages and excessive . Increases in procurement costs . CSR risk in the value chain . Risk of becoming less competitive 	<ul style="list-style-type: none"> . Knowledge and control of the supply chain . Partnership with strategic suppliers in relation to our strategic customers. . Environmental and social selection criteria for our supplier panel . Suppliers' adherence to our ethical charter 	<p>Rate of buyers trained in responsible purchasing</p> <p>Response rate of target suppliers to CSR questionnaire</p>	<p>Buyer training scheduled for the second half of 2023</p> <p>60% of targeted suppliers have responded to the NSE questionnaire as part of the carbon footprint assessment.</p> <p>CSR criteria integrated into our supplier qualification process</p>

A COMPANY COMMITTED TO ITS TERRITORY

Local employment development
Support for reservists
Involving employees in corporate philanthropy initiatives

SUMMARY OF ACTION PLANS RELATING TO THE MAIN EXTRA-FINANCIAL IDENTIFIED CHALLENGES AND 2022 RESULTS

Material issues	Potential negative impacts	Summary of actions taken	Indicators	Results
EXEMPLARY EMPLOYER				
Social dialogue and Quality of Life and Working Conditions (QLWC)	. Absenteeism rate . Staff turnover	. Extending the health and safety policy to include QLWC aspects . Reducing absenteeism . Reinforcement of preventive measures to reduce musculoskeletal disorders risks.	Frequency rate	6% in 2022
				0,22% in 2022
			Severity rate	
			61,5%	
Company attractiveness, talent retention and knowledge capitalization.	. Difficulty attracting talent with the technical skills required by the Group	. External communication . Changes in recruitment methods . The company's commitment to CSR, particularly attractive to young people . Appropriate pay policy . Training and knowledge transfer plan . . Active participation in recruitment forums . Involvement in trade schools . Introduction of teleworking	% of respondents to internal QLWC survey	
			Number of apprenticeship/professionalization/work-study contracts	8 in 2022
Diversity and equal opportunity	. Maintain and increase the percentage of women in managerial positions	. Proactive gender equality policy: balanced male/female succession plans and systematically gender-balanced recruitment.	Percentage of women in the workforce	
			Gender equality index	41%
				85/100
SUSTAINABLE ENTERPRISE				
Energy and climate transition	. Lack of indicators, measurement and climate strategy which can penalize . . Rising energy costs	. Carrying out a carbon assessment	Economic carbon intensity	736 kg CO2e / k€ sales
			Monitoring electrical consumption	See page 57
			Gas consumption monitoring	See page 61
			Water consumption	See page 61
		Total waste by category	Refer to page 61	
Circular economy	. Increasing regulations on certain materials	. Innovation beyond packaging, introducing circular economy principles into industrial processes.		QUALIREPAR label awarded

SOCIAL POLICY

Social dialogue and quality of life and working conditions (QLWC)



To measure the quality of life and working conditions (QLWC), it is common to conduct internal surveys in the form of questionnaires to concretely gather employees' perceptions and expectations. As QLWC is a significant issue, NSE has decided to conduct a survey among all employees (France scope). This survey was launched following the CSR Month in April 2023.

It was built on the basis of 6 dimensions selected by the ANACT (National Agency for the Improvement of Working Conditions).

The analysis and results will be communicated to the staff in the second half of 2023. These will help define priority areas for improvement and the projects to be implemented.

SOCIAL POLICY

Attractiveness of the group, talent retention, and knowledge capitalization

INTERVIEW

Can you describe to us how NSE is evolving regarding the attractiveness of the Group, talent retention, and knowledge capitalization?

The attractiveness of a company is strongly linked to its 'employer brand,' its culture, as well as its brand image in the eyes of its current and potential employees. We are currently working on strengthening the employer brand, which involves cultivating a strong corporate culture focused on employee well-being, training, and career development through:

- 1 The implementation of telecommuting, providing an alternative for those who wish to manage their daily routine differently;
- 2 increasing the budget allocated to the training policy to enhance and maintain the specific skills of our employees;
- 3 strengthening internal recruitment, notably through the implementation of Co-optation;
- 4 organizing internal events (e.g., Oui Live, company challenges);
- 5 developing internal and external communication;
- 6 improving the visibility of NSE through enhanced presence at trade shows, forums, partnerships with schools, and through social or professional networks.

Attractiveness is a holistic concept for the company. A positive brand image in the eyes of its employees helps retain talent, attract new candidates, and strengthen the employer brand. Some specific skills unique to NSE profiles are scarce in the market (e.g., Aeronautical Technicians B1 B2).

Retaining talents is crucial for the company. The 12% staff turnover is considered by NSE's management as an opportunity to enhance the Group's responsiveness and agility by recruiting new profiles.



Elena MIRON
Director of Human Resources

Talent retention and knowledge capitalization are major challenges for NSE:

- A diversity of career opportunities in France and internationally.
- Implementation of mentoring for new employees.

To better manage careers, the Human Resources Department has initiated a Forward-Looking Management of Jobs and Skills (GPEC) process, with results expected in 2025.

An effort in internal communication on sharing the vision is also planned to further involve employees. For several years, each business unit provides an update on its situation and development twice a year; a newsletter is distributed every quarter. A mentorship program to internally train on certain technical expertise is currently being deployed within the sites.

SOCIAL POLICY

Diversity and Equal Opportunities



Equality, diversity, and inclusion are the drivers of well-being in the company.
NSE is committed to a recruitment policy against all forms of discrimination and aims to make diversity and equal opportunities one of the strong values of the Group.



Equal opportunities in career paths and the principle of diversity in recruitments are ingrained in the core values of NSE through:

- Integration of disadvantaged youth
- Apprenticeship policy; the number of apprentices has been increasing in recent years
- Gender equality
- Integration of people with disabilities
- Support for senior workers

Gender Equality Index

85/100

The employment of people with disabilities and the support of senior workers are commitments of NSE to combat discrimination, promote equal opportunities and diversity, and offer a real opportunity for social inclusion. The details regarding this chapter are developed in the sections 'Gender Equality' and 'Measures taken in favor of people with disabilities.'



SOCIAL POLICY

NSE is committed to the development of human capital: identifying and developing in-house skills, integrating and supporting new employees in their career development. NSE invests in the talents of its employees and capitalizes on their diversity to bring them on board. Developing potential, valuing expertise and encouraging career development are all part of our ambitious HR policy for all our employees, men and women alike, so that they all share a sense of pride in belonging and rally around our 5 unifying values.



Collective agreements, relationships and working conditions

NSE is covered by the collective bargaining agreement applicable to the Metallurgical Industries and in particular by :

- The Collective Agreement for Metallurgical, Mechanical, Related Electrical and Similar Industries of the territory in which the activity is carried out
- The National Collective Agreement for Metallurgical Engineers and Managers

These collective agreements are available to all employees for consultation with the Human Resources Department. Union representation bodies are in place.

List of agreements

- Agreement on leave days for family events
- Participation Agreement
- Profit-sharing Agreement
- Working hours Agreement
- Agreement on professional equality between men and women
- Operational NSE On-call Duty
- Minutes of the NAO Agreement on Closures, Bridges, and NSE Solidarity Day
- Minutes of NAO Salary Agreement
- Agreement on leave for blood donation
- Agreement on professional equality between men and women
- Addendum No. 1 to the Company Pension Agreement
- Addendum No. 5 to the Company Health Expenses Agreement
- NAO Supplementary Agreement 2022

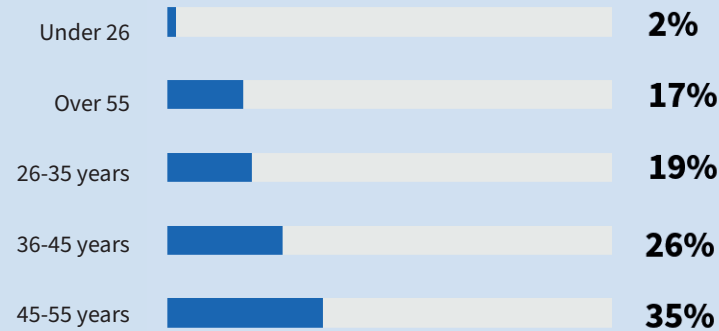
Employees have

- Days for sick and/or hospitalized child
- Additional leave based on seniority
- Leave for family events (marriage, civil partnership, birth, death of a loved one, etc.)
- Referral bonus
- One telecommuting day per week for eligible positions
- One additional leave day to complete administrative procedures for an application for RQTH (Recognition or Renewal as a Disabled Worker)
- Bonus upon receipt of Recognition or Renewal as a Disabled Worker
- Possibility to donate leave to benefit an employee of the company who cares for a child under 20 years old suffering from a disease, disability, or the victim of a particularly serious accident requiring sustained presence and restrictive care
- Authorized absences up to 4 times a year, lasting one hour, to donate blood
- Meal vouchers
- Health and welfare insurance

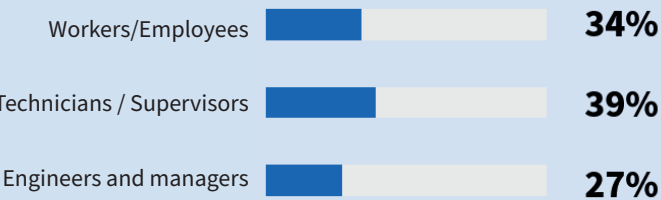
Workforce in France



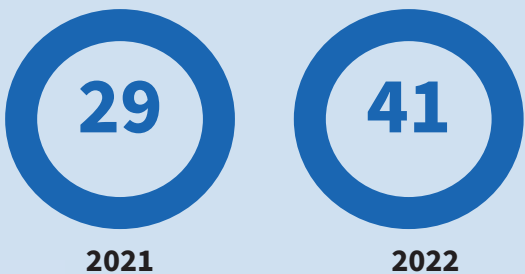
Workforce by age



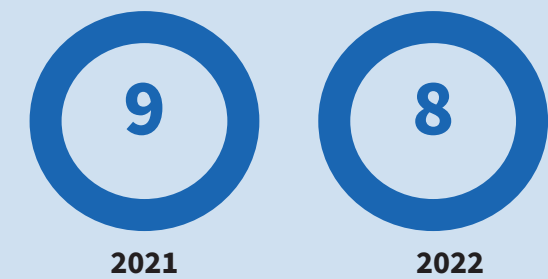
Workforce by socio-professional category



Open-ended contracts



Professionalization and apprenticeship contracts



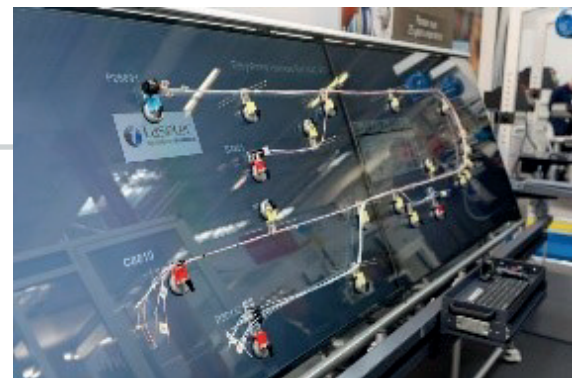
SOCIAL POLICY

Risk analysis and occupational health and safety policy

Preserving the health, safety and quality of life at work of its employees is essential for NSE. The Group affirms its commitment to risk prevention and employee protection. This voluntary and responsible approach is coordinated by the Human Resources Department, the CSR Manager, the Health, Safety and Working Conditions Commission and the Occupational Health Department, which implement the entire regulatory prevention and monitoring system. The Human Resources Department and the Safety/Environment referents at each site are available to provide employees with any information they may require on the subject of health and safety in the workplace.

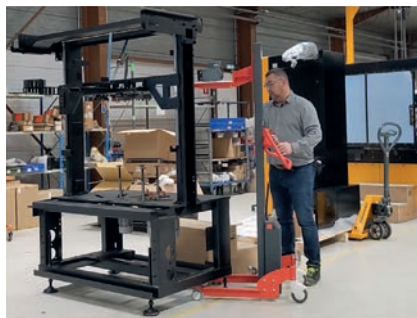
NSE has set up a **methodology common** to all sites for carrying out its risk analyses, a single document for the evaluation of occupational risks (DUERP). Concrete actions are implemented to prevent risks to employee health and safety in the workplace. To keep the DUERP up to date, job analyses are carried out at our sites, enabling us to update the analysis of occupational risks. In 2022, a number of workstation analyses were carried out at different sites, enabling NSE to work on equipment modifications or purchases. Some studies requiring investment will be completed in 2023. Others may extend into 2024, as equipment trials are often necessary.

Some examples of actions



Thanks to NSE's stimulus package, interactive wiring tables have been installed. The interactive wiring table replaces paper plans with a dynamic display of drawings and assembly instructions. These tables will provide employees with :

- Improved ergonomics at the workstation. The desk is equipped with a removable sliding tray for placing tools and a sliding table on which the keyboard and mouse rest. The screen tilt also allows for a better posture for the employee.
- Increased productivity.
- Optimal quality.
- Improved visibility for operators.



The maintenance workshop of NSE located within the military schools of Draguignan has acquired a lifting gantry to improve **working conditions during the dismantling, cleaning, maintenance, and reassembly operations of heavy artillery pieces.**

Various actions have been implemented to reduce the hardship within a workshop at the Abrest site. NSE has **acquired ergonomic carts and seats to reduce the heaviest manual handling** and improve working postures.



SOCIAL POLICY

Safety training

NSE conducts the required training and exercises in accordance with regulations. Thus, its employees are regularly trained or retrained in the use of forklifts, in basic first aid procedures (first aid training), in fire situations (evacuation leaders training, and fire extinguisher handling), in risks associated with the use of chemical and hazardous products, and in electrical hazards with appropriate authorizations.

Accident management

When a workplace accident occurs, an internal investigation is systematically carried out to determine the causes and decide on the action to be taken. Internal investigations are carried out as a team, in collaboration with a member of the Health, Safety and Working Conditions Commission. Each analysis contains a cause analysis and proposals for action.

Quality of life and working conditions

Employee job satisfaction is measured during annual appraisal interviews. The overall satisfaction rate is calculated by the HR department and reported to management. At some sites, the doctor also asks about job satisfaction during the medical check-up. Quality of life at work is assessed mainly through employee feedback. It is therefore necessary to take stock of the situation. NSE launched an internal survey in 2023. Please refer to the section on Social dialogue and quality of life and working conditions in this document, which explains the current process.

44,65%

of employees are trained to handle fire extinguishers.

41%

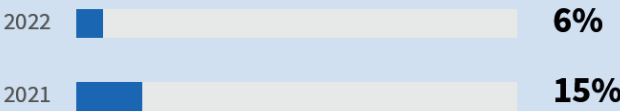
of our employees are workplace first-aiders.



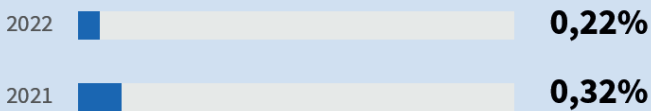
100%

of NSE sites are equipped with a defibrillator.

Work-related accident frequency rate



Severity rate of workplace accidents

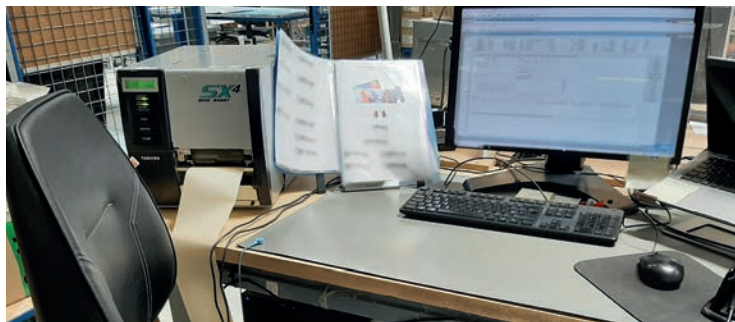


SOCIAL POLICY

Measures taken in favor of people with disabilities

As part of its efforts to raise awareness of disability issues, NSE has introduced measures to encourage disabled employees to register with the Human Resources department (granting them a bonus and additional days off to complete the necessary formalities).

Local initiatives have been put in place for recruitment and job retention. Part of our services are outsourced to organizations in charge of integrating disabled people: supplies and services are purchased from a local ESAT (French support and Work Assistance Establishment).



NSE is taking part in "DUO DAY", a national event aimed at optimizing the inclusion of people with disabilities in the world of work. The event is part of the European Week for the Employment of People with Disabilities. During the day, an NSE employee pairs up with a disabled person and introduces them to the Group's working environment.

Fighting harassment and discrimination

In addition to the themes of ethical business conduct and anti-corruption, the Ethical Charter also mentions the fight against harassment, discrimination and the protection of the health and safety of employees and customers as imperatives in the conduct of the company.

An anti-harassment policy has been put in place, and a contact person has been identified for the Group.

Equality between men and women

41%

of women in the total workforce in 2022

28%

of women managers in 2022



11%

of women in executive bodies by 2022

Key figures

5,8%

of disabled workers on 12/31 (all types of contracts)



5992 hours

Total hours of training (all employees)

SOCIAL POLICY

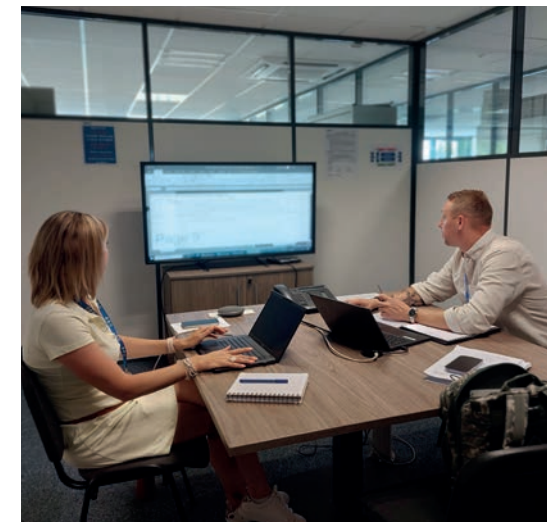
Skills development, training and mobility

Training is an essential tool for maintaining product and service quality. Requirements are constantly evolving in terms of techniques, materials and regulations, requiring adaptation and matching of employee skills. A training management procedure has been drawn up and approved by the company's management. Training is provided either internally or externally.

It may involve mobilizing the professional training account (CPF) during working hours. In this case, the process is one of co-decision between employee and employer. In-house training is carried out by in-house trainers, with the advantage of being particularly well-suited to group training on topics relating to the trainer's area of expertise.

External training is provided by accredited organizations. Employees can acquire qualifications or improve their skills through a number of actions: adaptation to new activities, promotion, annual appraisal or further training.

Among the means of identifying training needs, the professional interview offered to each Group employee every two years is designed to discuss his or her career development prospects, particularly in terms of qualifications and employment. In this respect, the professional interview is an essential managerial act from which training and skills development needs can be identified, and the actions to be implemented identified.



To encourage internal mobility, an HR Commission has been in place since 2019, enabling the study of job or salary changes for employees at the request of managers. The role of the HR Commission is to meet and study, once a month, HR requests for internal mobility / internal-external recruitment / bonus requests or other, from employees in each NSE department (excluding temporary requests).

SOCIAL POLICY

Brand appeal for new employees

The Human Resources Department takes part in local events (trade fairs, job dating, etc.). This involvement in local life enables us to promote the Group in a new context and meet potential candidates for internships or jobs.

NSE works closely with local universities and establishments in various sectors of activity, with the aim of using their resources to enhance skills through the recruitment of future employees, the training of interns/apprentices and the sharing of expertise.

Integrating new employees

As integration is part of the process of a newcomer's success in the company, the emphasis is placed on the quality of the welcome. The HR department compiles the various documents required for the new recruit's arrival: employment contract, mutual insurance and provident fund documents, welcome booklet, group IT charter, economic security booklet, Works Council documents, Quality & Environment policy.

- A forum dedicated to promoting work-study programs, careers and company training.



- Ailes & Volcans 2022 job fair



- Clermont Auvergne INP Engineering Forum



TESTIMONIAL

What is NSE doing to introduce young people to the aerospace sector?

We take part in aerospace trade shows and meetings, publish on social networks and organize events. We also take on trainees and apprentices to help them discover the world of aerospace and the rules that govern it.

How many internships in 2022?

We had over 20 trainees in 2022 at our Aulnat site.

What are the prospects for development in the coming years?

Development over the next few years will focus on new technologies related to aerospace, as well as increasing the number and type of aircraft that can be accommodated in our hangar. This will enable our students to become even more diversified and relevant when they leave school.



Ludovic SASSI
Aircraft MRO Director



INFO FLASH

A review after one year's service is currently being rolled out across the Group. This is carried out with the HR department for each employee concerned. The aim is to review the integration process and the progress of the NSE employee's assignment.

RESPONSIBLE PURCHASING APPROACH

Purchasing organization and strategy

Purchasing accounts for a significant proportion of Group sales. Suppliers therefore actively contribute to NSE's added value, reputation and customer satisfaction. In this respect, the Responsible Purchasing approach is an essential part of the Group's CSR policy.

The Purchasing department is organized around two main areas:

- 1 Industrial Purchasing**, which covers all the requirements that go to make up the products sold to customers.
- 2 General Purchasing**, which covers all direct and indirect purchases for company operations.

In order to manage the performance of its supplier panel, NSE has set up a "Supplier Performance Management" organization attached to the Quality department. This specific management system, which cuts across the entire NSE group, enables us to monitor, analyze and manage the performance of all NSE suppliers, using key indicators (quality, lead times, risk analysis, etc.).

The Purchasing strategy aims to build lasting relationships with identified suppliers and partners, based on trust, industrial excellence and technological leadership. Supplier relations are designed as a partnership to enhance competitiveness, with suppliers involved upstream, in the development phases, to better meet all customer requirements.

This strategy is based both on the development of long-term partnerships with targeted suppliers and on ongoing sourcing of new expertise. With regard to social responsibility extended to suppliers, the deployment of NSE's Purchasing policy is based first and foremost on suppliers respecting and sharing NSE's values and the Group's Ethical Charter.

The General Purchasing Conditions, available on the company's website and shared with suppliers, state that suppliers are prohibited from offering for sale products manufactured in contravention of the prohibition of illegal labor, child labor and all the fundamental conventions defined by the International Labor Organization (ILO).

Here are some figures from the questionnaire sent to our main suppliers as part of our carbon footprint assessment.

From a panel of **60** selected suppliers:



Suppliers responded to the NSE questionnaire



Suppliers have already implemented certain **climate actions**



Suppliers **measured** their carbon footprint



Suppliers have already set **SBT reduction targets** or are planning to do so



Suppliers have **communicated their economic carbon** intensity



Zoom

In 2022, on the Varennes site, 70% of service providers for construction work, building maintenance and green spaces are within a 3 km radius.

Approximately **2000 Km** saved per year, i.e. **435 Kg CO2e**

ENVIRONMENTAL POLICY

Description of the environmental policy

Societal expectations for sustainable development, transparency and accountability have evolved as legislation has tightened and pressures on the environment from pollution, inefficient resource use, inappropriate waste management, climate change, ecosystem degradation and biodiversity loss have increased.

Generally speaking, NSE ensures to:

- **Recycle waste and work to reduce it**
- **Control energy consumption**
- **Control water consumption**
- **Reduce carbon footprint**



99,8%

regulatory compliance 2022

This has led NSE for several years to adopt a systematic approach to environmental management, with the aim of contributing to the environmental pillar of sustainable development. To this end, the Group is committed to "reducing and preventing the impact of its activities on the environment by preventing potential pollution risks, conserving natural and energy resources, and optimizing waste recycling" (editor's note: environmental focus of NSE's Quality and Environment policy, signed by the Executive Board on 06/01/2023).



50%

of NSE staff work on one of the **certified sites**

For non-certified sites, the Group pursues a proactive environmental policy leading to the deployment of best practices.

Environmental regulation is a constantly evolving field, with numerous laws and directives that can have an impact on our activities. It's essential to keep abreast of new regulations.

NSE has a regulatory monitoring and compliance assessment tool in place for all its sites. This enables regular monitoring. Thanks to this tool, contacts involved in the regulatory monitoring and compliance assessment process receive e-mail alerts of updates and new applicable texts that may concern them.

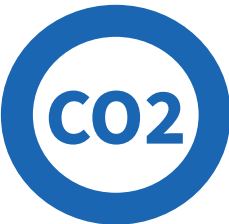
This makes it possible to anticipate changes, assess their impact and take the necessary steps to comply with new requirements.

ENVIRONMENTAL POLICY

Consequences of company activity on climate change

Measurement of GHG emissions

The first carbon assessment for the 2021 financial year has been carried out, see page 34 of this report.



Energy policy

Group policy includes energy targets to reduce electricity consumption and increase the Group's energy autonomy. The year 2022 was marked by a significant rise in energy costs, which highlighted the need to take measures to reduce electricity and gas consumption. The results of these actions are visible in the Group's actual consumption figures. In response to this increase, various actions have been implemented to reduce energy consumption. These actions include :

- **adjustment of heating**, according to work zones. Measures have been taken to reduce the heating temperature by at least one degree depending on the zone. This measure aims to optimize energy use while maintaining a level of comfort for employees;
- **the reinforcement of displays** and the communication of an internal awareness-raising memo;
- **installation of adjustable thermostats** for more precise temperature control in the various zones;
- **the installation of airtight locks** to minimize energy losses and reduce cold air infiltration;
- **continued LED relamping** to reduce lighting-related energy consumption;



Monitoring of electricity consumption



Monitoring gas consumption



ENVIRONMENTAL POLICY

Transportation Impact

The Group mainly chooses transporters committed to reducing their impact on the environment. This choice enables us to massify flows, optimize routes to limit greenhouse gas emissions, use clean vehicles and train drivers to drive economically.

NSE's fleet of 33 vehicles includes 4 hybrids. The company's fleet will be renewed with hybrid/electric vehicles.



Focus on employee commuting

This item includes emissions linked to regular employee travel between home and their main places of work. We collected the data via a questionnaire sent to all employees.



31,1%

of home-work journeys made by car are less than 10 km



7,3%

of total home-work journeys made by car. Out of 64,427 home-work round trips made by car, 4,672 are done by carpooling.



3,1%

home-work journeys are made by bicycle or electric bike

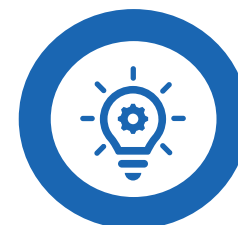
Good practice

32%

of employees from the Varennes site come by **train**, on **foot**, by **scooter or by bike**.



To reduce the impact of commuting, NSE will be carrying out a study to set up a car-sharing platform for employees.



35,5%

sites are fully equipped with LED lighting



64,5%

are being deployed



14%

of green electricity contracts “renewable electricity” subscribed by NSE

Highlights

Participation in a Climate Fresco workshop

The Climate Fresco workshop enabled employees to develop a better understanding of climate change issues, strengthen their motivation to take action and encourage a transition towards more sustainable practices in their daily and professional lives. A group of 15 NSE employees took part in the workshop.



Use of water and raw materials, circular economy

The Purchasing department chooses recycled or eco-labelled materials wherever possible (e.g. Ecolabel paper) and gives preference to local or nearby service providers wherever possible. Given the complexity of its activities, NSE designs its own packaging to suit the diversity of its products. Models have been standardized as far as possible. A regional and a national carton supplier have been chosen for these projects.

NSE's policy is to limit the use of new packaging by reusing existing packaging.

ENVIRONMENTAL POLICY

Eco-design of reusable packaging



The Group works with its suppliers to reduce packaging waste, for example by introducing reusable crates that can be recycled when they reach the end of their life. 2 NSE sites are concerned by these types of packaging (Consumer Electronics and Defense activities).



Focus

For the Consumer Electronics activity, as part of a packaging optimization program, a **complete packaging overhaul** was carried out. The old wedges were delivered on pallets of around 1m3, containing 280 wedges to pack 70 products (4 wedges per product). The new wedges are now supplied in rolls containing 100 sachets. A single roll can pack **50 products**. This new approach has led to a significant reduction in waste at source, with a reduction in the volume of waste generated. What's more, a recycling solution for the new wedges at the end of their life has been put in place, enabling the material to be recycled.



ENVIRONMENTAL POLICY

Waste management

As waste management becomes increasingly complex, NSE requires its waste recovery service providers to provide a reliable service that complies with the regulations applicable to the Group and reconciles environmental and economic objectives. **NSE is actively involved in finding recycling solutions for waste**, in close collaboration with its local service providers.

When looking for recycling solutions, NSE pays particular attention to identifying the most suitable channels. This involves taking into account the specific characteristics of the waste and sometimes carrying out characterizations to verify its recycling potential. NSE also includes in this type of study, internal organizational constraints (type of collection, sorting, availability of resources needed to implement solutions).

NSE strives to strike a balance between environmental objectives and operational realities, to ensure the long-term sustainability of recycling initiatives. We seek out the best recovery channels to increase the overall rate of waste recovery by giving it a second life, and thus reduce its environmental impact. Geographical proximity of service providers ensures optimized collection costs. Waste is recovered either through material recycling or energy recovery.

Volume of main waste generated by NSE (In tonnes)

Type of waste	2020	2021	2022
Residual waste	31	36	30
Waste Cardboards	89	68	71
Wood Waste	36	25	25
Plastic Waste	7	10	9
Electronic waste	61	67	63
Soiled packaging	2	1	0.5
Metals	4	4	1.7

Average water consumption

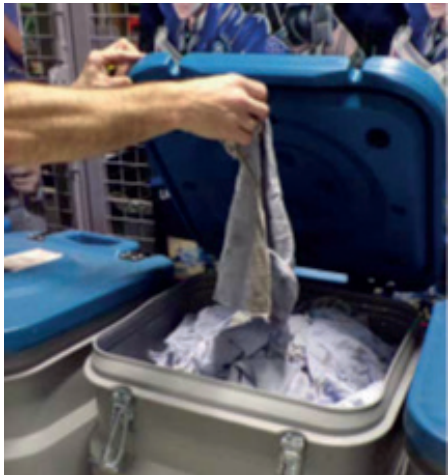
27 litres/ day / person*

* France scope

Provision of reusable glasses to reduce disposable cups



Placement of washable wipes in workshops for reduce waste at source



DESCRIPTION OF SOCIAL POLICY AND LINKS WITH THE TERRITORY

The NSE Group contributes to local economic development by supporting the start-up cluster based in Clermont-Ferrand and set up by Crédit Agricole (Le Village by CA Centre France: the ecosystem dedicated to innovation). This partnership demonstrates our commitment to the region, and will enable NSE to benefit from a collaborative, local network in line with the Group's activities. The Village By CA Centre France is the first coworking space in Auvergne and Limousin, bringing together start-ups and corporate partners to accelerate innovation and business through a unique network present throughout France and internationally. The Group is also involved in the Aerospace Cluster Auvergne- Rhône-Alpes to raise its exposure in this sector.

In Abrest, where NSE is located, our Group is **participating with other local companies in the financing of a 9-seater municipal minibus** to help Abrest associations travel to local and national events. Through this action, NSE participates in and supports local initiatives. NSE donates its obsolete IT equipment to associations.

Since 2017, NSE has been **committed to a societal approach with the implementation of a partnership with the E2D** (Sustainable Development Jobs) association. This recognized socially useful structure based in the Vichy area (03) serves people experiencing difficulties accessing employment. In this way, NSE participates in and contributes to professional reintegration and upgrading in the territory. This partnership has been extended to a new NSE site in 2022. NSE maintains its existing partnerships with ESATs.

Supporting the French military reserve

NSE has materialized its commitment to corporate citizenship by signing "a convention of support for the military reserve policy". Through this agreement, which facilitates the commitment of reservists (shorter notice period to the company, 10 days paid by the employer), NSE demonstrates its willingness to support its employees who give their time and know-how to the Ministry of the Armed Forces. NSE supports the association for wounded soldiers.



Participation in an OUILIVE connected challenge involving over forty companies. Thanks to this participation, NSE financed "Solidarity Winter" boxes distributed to the underprivileged.



3rd place on the podium for NSE with a participation rate of **30%**.



An opportunity to combine sport and business in a convivial atmosphere.



In June 2022, the Soyons team will take part in **the Running Business Tour**, the region's inter-company relay race.



Participation in the company challenge (relay race) for employees at the Abrest and Varennes sites, organized by the Vichy Triathlon club.

Signature of an agreement to donate computer equipment to the LIBRAISOL association



Welcome sessions and presentation of our businesses to schools.



APPENDIX - SOCIAL INDICATORS

	2020	2021	2022
Employees worldwide			
Total number of employees	616	540	497
In France (in headcount)	407	399	383
Outside France	209	141	114
Number of employees and type of contract			
Total number of employees in FTE	399,78	392,38	388,92
Total number of employees	407	399	383
Whose are open-ended contracts	399	392	382
Whose are fixed-term contracts	8	7	1
Professionalization and apprenticeship contracts	9	9	8
Workforce by age*			
Under 26	14	20	9
26-35 years	69	71	75
36-45 years	135	111	100
46-55 years	133	137	133
Over 55	56	60	66
Average age	44,02	43,93	44,6
Average seniority	12,6	12,7	13,28
Workforce by socio-professional category			
Engineers and managers in % of total	27%	28%	27%
Technicians/supervisors as a % of total	37%	39%	39%
Workers / Employees as a % of total	36%	33%	34%
Part-time work			
Number of part-time employees	33	30	29
Recruitments			
Open-ended contracts	40	29	41
Fixed-term contracts	8	7	8

APPENDIX - SOCIAL INDICATORS

	2020	2021	2022
Departures*			
Number of departures	20	27	53
Number of redundancies	8	2	1
Number of retirements	4	2	5
Number of transfers between Group entities	5	3	0
Staff turnover*			
Instability rate (% of workforce)	8,85	9,39	12
Absenteeism*			
Absenteeism rate ⁽¹⁾	3,99	5,48	4,86
Occupational health and safety*			
Number of workplace accidents with lost time	8	5	4
Number of days off work	483	237	158
Workplace accident frequency rate (%)	12	15	6
Severity rate of workplace accidents	0,65	0,32	0,22
Number of occupational illnesses			3
Percentage of workforce with healthcare coverage ⁽²⁾	86%	86%	90%
Breakdown of trainees* (%)			
Percentage of gross payroll devoted to training	1,67%	1,85%	2,16%
Number of employees trained ⁽³⁾	270	599	347
Total hours of training (all employees)	8646	6528	5992
Number of managers trained	62	175	106
Total hours of management training	4276	2071	1538
Number of non-managers trained	208	424	241
Number of training hours for non-managers	4370	4457	4454

**These indicators cover 77% of the workforce. Corresponds to the France perimeter*

(1) The absenteeism rate only takes into account sickness, occupational injury and unjustified absences.

(2) NSE offers all its employees a compulsory, family-based health insurance policy.

(3) As accounting is based on the "number of trainees", an employee who has taken several training courses will be counted several times.

2022

Extra-financial reporting



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