EthiFinance
Double Materiality Agency

Lhyfe

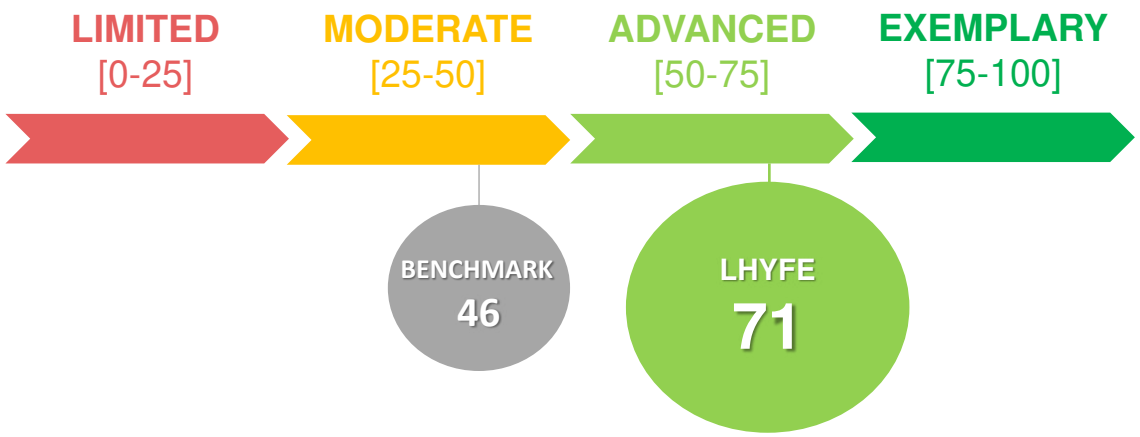
EXTRACT -
ESG MATURITY REPORT
LHYFE

EXTRA-FINANCIAL SCORING

MARCH 2022

EXTRA-FINANCIAL SCORING - OVERVIEW

ESG MATURITY SCALE – LHYFE



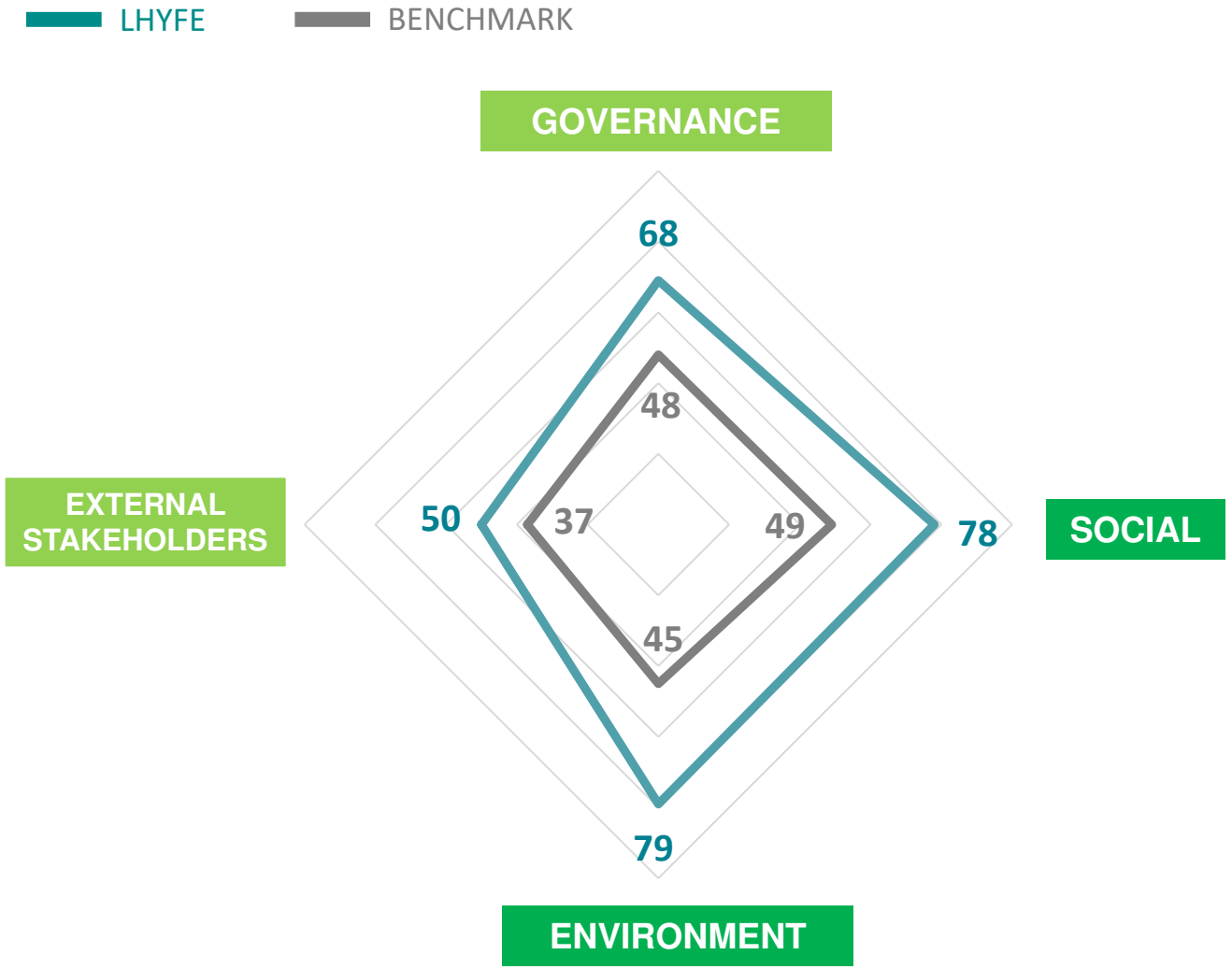
MATURE AREA(S)

- Social and environmental data monitored and available at company perimeter
- HSS (health, safety and security) management system
- Formal environmental policy and environmental management system
- Formalised business ethics and anti-corruption policy

AREA(S) OF IMPROVEMENT

- No formalised CSR policy
- Limited representation of independent members on the Board
- No social requirement in procurement practices
- No measurement of supplier satisfaction
- No action in favour of the employment of people with disabilities

LHYFE VS. BENCHMARK[1]



1. Benchmark selected criteria*: the company's size (number of employees <100), the business sector « Industry – Renewable Energies »

*Sample of the 2022 scoring, based on 2021 data.

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EXTRA-FINANCIAL SCORING – SCORING BREAKDOWN (1/2)

GOVERNANCE

68

• Risk of dilution of minority shareholders	83
• Composition of governance bodies	75
• Functioning of governance bodies	83
• Compensation of officers and directors	100
• Business Ethics	88
• CSR policy, non-financial issues and implementation of the SEFP	25

KEY STRENGTHS:

- Publication of the Board's rules of procedure
- Commitment to comply with the MiddleNext code
- Formalised business ethics and anti-corruption policy
- Open whistleblowing system

POINTS OF VIGILANCE:

- Existence of double or multiple voting rights
- Unitary governance structure without separation of Chairman and Chief Executive Officer functions
- Limited representation of independent members on the Board (2/7)
- No formalised CSR strategy
- No manager or director in charge of CSR issues
- No Business Continuity Plan

SOCIAL

78

• Characteristics & Social Policy	100
• Working conditions	80
• Skills development	70
• Equal opportunities	57
• Health and Safety	83

KEY STRENGTHS:

- Social data monitored and available at company perimeter
- Human Resources Director on the Executive Committee
- Employee survey conducted annually
- High training rate of the workforce (100%) and average number of training hours per employee (30h)
- HSS (health, safety and security) management system

POINTS OF VIGILANCE:

- No communication on actions to manage forward-looking skills
- No action plan for diversity
- Low representation of women in the workforce (25%)
- No action in favour of the employment of people with disabilities (0% of the workforce)
- No HSS certification process (e.g. OHSAS 18001)

EXTRA-FINANCIAL SCORING – SCORING BREAKDOWN (2/2)

ENVIRONMENT

79

• Environmental policy & Management System	71
• Energy et GHG	78
• Water, air, oil and waste	88

KEY STRENGTHS:

- Monitoring of environmental data at 100% of the company perimeter
- Formal environmental policy and environmental management system
- Action plan to save energy and reduce GHG emissions
- Monitoring of GHG emissions for Scope 1, 2 and 3
- Implementation of a waste sorting system

POINTS OF VIGILANCE:

- No environmental certification process (e.g. ISO 14001)
- No certification on life cycle analysis of products
- No detailed publication of the breakdown of energy sources
- No monitoring on the percentage of recycled waste

EXTERNAL STAKEHOLDERS

50

• Relations with suppliers	50
• Relations with customers, civil society, and product liability	50

KEY STRENGTHS:

- Integration of environmental criteria in purchasing practices
- Average payment time for suppliers = 30 days
- Measurement of supplier economic dependence
- Quality management system implemented
- Formalised IT charter
- Intrusion testing of IT systems

POINTS OF VIGILANCE:

- No social criteria/requirements in procurement practices
- No social audit policy to monitor the social practices of suppliers and service providers
- No measurement of supplier satisfaction
- No quality certification process (e.g. ISO 9001)
- No formal commitment to fiscal responsibility

DISCLAIMER

The purpose of this document is to provide a synthetic view of the company's maturity on all the generic CSR matters applicable to its macro sector of activity (Services, Industry or Distribution). It is based on a review of a questionnaire filled in by the company on information relating to the year N-1. The consistency of the responses and their compliance with the scoring framework is assessed by an ESG analyst. The overall score and the thematic scores result from all the criteria considered by the evaluation matrix.

For comparability purposes, the questionnaire developed by Ethifinance has not been specifically adapted to the company. The analysis of the proposed answers is based on declarative information engaging the responsibility of the company being evaluated. The information provided is not subject to an audit. The proposed analysis cannot therefore guarantee that the information is correctly applied in the company's day-to-day practices.

The search for controversies of serious importance is based on public data of less than two years. EthiFinance cannot be held responsible for the sincerity of the proposed assessment if information is published after the date of this document.