

# 2020



**JACQUET**  
METALS

**Non-financial statement**



**A leader in the distribution of specialty steels**

## Table of contents

### pages

<b>04</b>	1 Environnemental challenges
<b>06</b>	2 Social challenges
<b>08</b>	3 Respect for human rights
<b>09</b>	4 Prevention of corruption and tax evasion
<b>09</b>	5 NFS cross-reference table
<b>10</b>	6 Independent third party's report on consolidated non-financial statement

The JACQUET METALS Group places a great deal of importance on CSR (Corporate Social Responsibility). The Group is committed to managing its affairs in a responsible manner.

As such, senior management took the following elements into consideration when establishing its CSR priorities:

- the analysis of non-financial risks to which the Group is exposed;
- laws and regulations in force;
- stakeholder expectations (employees, customers, suppliers, etc.).

Since 2018, the Group has been subject to the requirements of implementing decree no. 2017-1265 of August 9, 2017 on the publication of non-financial information, giving rise to the Non-Financial Statement (NFS). This document contains all the information required for the NFS, which has been distributed between the sections in order to facilitate reader understanding. The content and location of the information included in the NFS is set out in a cross-reference table presented in § 5 below.

## 1 Environmental challenges

The Group's main business activity is the storage and distribution of specialty steels, either unprocessed or cut to size. In order to limit the impact of its operations on the environment, the Group implements a policy comprising the following key elements:

- promoting renewable energy and monitoring energy consumption;
- recycling and the circular economy;
- periodic assessment of the main suppliers and quality of supplies.

Environmental regulations and indicators are monitored locally under the responsibility of the subsidiary managers.

### 1.1 Promotion of renewable energy and energy consumption

The Group regularly invests in energy transition programs including the installation of solar panels and/or LED lighting in its distribution centers.

It aims to increase the proportion of electricity generated from renewable sources. For example:

- in 2020, 1,500 sqm of solar panels were installed at two sites in the Netherlands. This investment accounts for almost the entire electricity consumption of both sites;
- in 2021, the installation of 1,900 sqm of solar panels is planned in Italy, which should cover around 85% of the site's electricity consumption.

Energy consumption is monitored locally by each subsidiary. It is also a key factor in the selection of investments (cutting machines, etc.).

Regarding the transport of steels (typically outsourced to independent carriers), each subsidiary seeks to optimize transportation unit capacity.



↑ Drachten, Netherlands

1.2

## Recycling and the circular economy

The Group carries out initial processing operations for its customers as part of its business activities. These services usually involve light finishing operations such as cutting and folding, which may generate scrap metal.

Scrap metal is systematically and completely recovered and sold to recycling companies, which re-inject it into the steel production process.

**The Group estimates that more than 2/3 of its steel supplies come from the circular economy, i.e. from recycling.**

The Group seeks to improve performance by optimizing material use, thereby limiting the production of scrap material. In order to achieve this, each JACQUET subsidiary monitors the volume of scrap materials generated on a monthly basis. Scrap metal amounts to around 15,700 tons per year, which is a low discard rate in view of the extent of the Group's operations.

In addition, some cutting machines consume a certain amount of oils, water and sand, which are systematically recycled and recovered.



↑ Stock in Bochum, Germany

1.3

## A demanding supply chain

1.3.1

### Periodic assessment of the main suppliers

The Group now periodically assesses its main steel suppliers in order to measure their exposure to environmental risk and assess the integration of CSR criteria within their organization.

The main suppliers are selected based on the volume of purchases made (these suppliers account for around 57% of total Group purchases).

The assessment mainly involves ensuring that suppliers adhere to the Group Supplier Policy and obtaining copies of their CSR reports, where applicable. Supplier adherence is renewed every three years.

The percentage of selected suppliers adhering to the JACQUET METALS Supplier Policy in 2020 is presented below:

Adherence to the JACQUET METALS Supplier Policy*	96%
--	-----

\* (no. of suppliers adhering / no. of suppliers selected) × 100

1.3.2

### Quality of supplies

The Group seeks to maintain an excellent quality of supplies (product traceability, ISO standards, etc.) as a guarantee of product reputation for the end-customer.

The nature of the Group’s business activities is such that it only purchases products that fulfill strict, predefined standards. Each supplier must ensure that the material delivered corresponds to the product certificate (including the heat number showing the origin of the products).

All Group supplies are therefore traceable. The aim is to maintain and even improve this high standard.



↑ Marking on a plate

## 2

### Social challenges

2.1

#### Human resources management

Given its operations in 25 countries and an average headcount of around 40 employees at each company, the Group’s human resources policy is implemented at individual company level by subsidiary managers in order to take local requirements, conditions and regulations into account. The following issues are covered:

- the organization of working time, training and industrial relations;
- health and safety at work;
- respect for human rights and children’s rights;
- elimination of discrimination.

There is no system for centralizing at JACQUET METALS SA the agreements signed with staff representative bodies in each subsidiary. However, major agreements are brought to the Company’s attention.

The Group is not aware of any material breach of its staff obligations.

#### Performance-related compensation

The Group has opted for a result-based variable remuneration system at all of its subsidiaries and divisions. As such, variable compensation awarded to corporate officers and other staff members is primarily based on the results of the subsidiary or division that employs them.

Similarly, variable compensation awarded to JACQUET METALS SA corporate officers is based on a number of criteria including Group earnings (ratio of net income (Group share) to sales).

#### Shareholder structure

The Group is developing its divisional operations via a model that is unusual in the metals distribution sector. Subsidiaries are regularly set up with a local partner, who is usually the manager of the subsidiary. This partner invests and receives an equity interest ranging from 10% to 49% (see 2020 Activity report - § 6.3 Developments). At December 31, 2020, the managers of 15 subsidiaries were minority shareholders.

#### Skills development, training and internships

Training is a key tool for developing employee skills, safeguarding expertise and improving safety and working conditions.

Training is provided as and when required using a variety of formats (via external training entities, in-house training, e-learning, etc.).

In 2020, around 35% of employees received training over a total of 11,573 training hours:

Training	2020
Number of employees trained	983
Number of training hours	11,573

The Group also promotes internships and work-study programs. At the end of 2020, 135 interns were working in subsidiaries in Germany and France (that account for around half of the Group’s workforce).

## Safety and health at work

The Group strives to safeguard its employees' health and ensure safety at work. As such, it applies a training and prevention policy aimed at reducing the number and severity of industrial accidents.

Measures to improve safety are implemented on a regular basis. For example:

- periodic dissemination of safety rules and instructions;
- regulatory controls of machinery and equipment by external bodies;
- identifying and assessing industrial accidents, followed if necessary by corrective measures to improve procedures and additional training;
- upgrading workstations.

Industrial accidents are monitored locally under the responsibility of the subsidiary managers.

Accident frequency and severity ratios are presented below:

	2020
Frequency <sup>1</sup>	18.93
Severity <sup>2</sup>	0.38

<sup>1</sup> Industrial accident frequency ratio  
= (no. of accidents with stoppage / hours worked) × 1,000,000.

<sup>2</sup> Industrial accident severity ratio  
= (no. of days lost by temporary incapacity / hours worked) × 1,000

The Group also monitors short-term absenteeism (less than three days) on a half-yearly basis and implements local corrective measures where required.

	2020
Short-term absenteeism rate <sup>1</sup>	0.56%

<sup>1</sup> (no. of days absent < 3 days/no. of days worked during the year) × 100

2020 was disrupted by the COVID-19 pandemic. Faced with this unprecedented situation, the health and safety of employees was the Group's top priority. As such, teleworking arrangements were set up wherever possible and work procedures at distribution centers were adapted in order to reduce the risk of infection while ensuring continuity of operations.

## Headcount

### By function

Group headcount at December 31, 2020 amounted to 2,857 full-time equivalent (FTE) employees including 2,640 under permanent contracts, as well as 142 temporary workers.

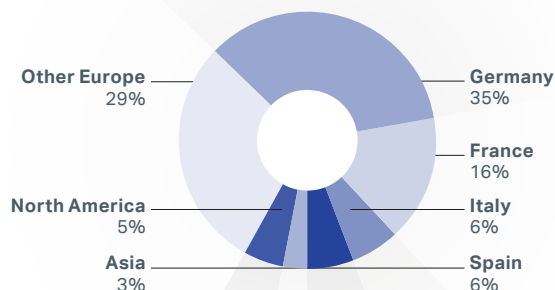
During 2020, 487 people left the Group and 290 joined.

The change in FTE (full-time equivalent) headcount by function is as follows:

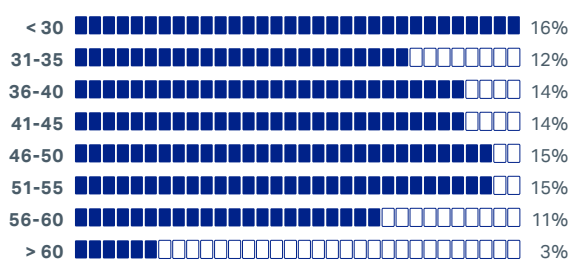
	2020	2019
Year-end	2,857	3,039
Support (IT, administration)	445 16%	461 15%
Sales, Procurement	1,083 38%	1,145 38%
Warehousing and logistics	1,329 46%	1,433 47%

## By region

The Group operates in 25 countries through 106 distribution centers. The headcount breakdown by region at December 31, 2020 was as follows:



## By age



In 2020, the average age of Group employees was 44.

## By gender

The male-female ratio is balanced in the support functions (IT, administration) (53% women and 47% men) and in the sales and procurements departments (59% men and 41% women). Women are under-represented at warehouses (4% of headcount). Total headcount comprises 26% women and 74% men.

	Male	Female
Support (IT, administration)	47%	53%
Sales, Procurement	59%	41%
Warehousing and logistics	96%	4%
<b>Total</b>	<b>74%</b>	<b>26%</b>

## 3

### Respect for human rights

Each subsidiary manager is responsible for ensuring that human rights are respected in accordance with local legislation.

With regard to supplies, the Group now periodically assesses its main steel suppliers in order to measure their exposure to the risk of non-compliance with respect for human rights within their organization. Selection is based on the volume of purchases made and their geographical location (this selection accounts for around 57% of Group purchases).

On this basis, the Group requires selected suppliers to adhere to the Group Supplier Policy, which sets out the Group's values, particularly with regard to the defense of human rights. Supplier adherence is renewed every three years.

The percentage of selected suppliers adhering to the JACQUET METALS Supplier Policy in 2020 is presented below:

Adherence to the JACQUET METALS Supplier Policy*	96%
--	-----

\* (no. of suppliers adhering / no. of suppliers selected) × 100

Additional measures are implemented for non-adhering suppliers or those pending response: request for information, on-site inspections, etc.

The Group aims to have the JACQUET METALS Supplier Policy signed by as many selected suppliers as possible.



## 4 Prevention of corruption and tax evasion

The Group used the tightening of French anti-corruption regulations as an opportunity to step up its own anti-corruption policy.

These values are set out in an Anti-Corruption Policy that defines the behavior to be adopted by each Group company with all of its partners, customers, suppliers and service providers. For example, suppliers must be selected on the basis of objective criteria such as quality, reliability, price, performance or service. An anti-corruption e-learning module was also deployed throughout the Group, and an internal whistleblowing system was set up at each subsidiary to report situations or behavior in breach of the anti-corruption policy.

The risk of exposure to corruption was also mapped out using a risk assessment mechanism tailored to specific business activities and regions.

Risk is assessed as follows:

- periodic assessment of main steel suppliers. They are selected every year based on the volume of purchases made and their geographical location (this selection accounts for around 57% of Group purchases). This assessment is approved by the Group Procurement Department; and
- adherence to the Anti-Corruption Policy by the selected suppliers. Supplier adherence is renewed every three years.

The percentage of selected suppliers adhering to the Anti-Corruption Policy in 2020 is presented below:

Adherence to Anti-corruption Policy*	90%
--------------------------------------	-----

\* (no. of suppliers adhering/no. of suppliers selected) × 100

Finally, the Group has no operations or holding companies in countries blacklisted as tax havens by the European Commission.

## 5 NFS cross-reference table

### 5.1 Business model

<b>1</b>	<b>Description of the Group's business</b>	
	Description of business activity and divisions	2020 Activity report - § 4 Information on the Group's business
	Key figures	2020 annual results
	Organization chart of main entities	2020 Activity report - § 7 Main companies by division
	Product descriptions	2020 Activity report - § 4 Information on the Group's business
<b>2</b>	<b>Description of the business model</b>	
	Market positioning	2020 Activity report - § 4 Information on the Group's business
	Key resources / production factors used	2020 Activity report - § 4 Information on the Group's business
	Value contributed to the various customer segments and other stakeholders	2020 Activity report - § 4 Information on the Group's business
	Profit analysis	2020 Activity report - § 4 Information on the Group's business

### 5.2 Description of non-financial risks and impacts

The description of the main non-financial risks is set out in § 1 to 4 of this section.

Given the nature of its business and the working conditions inherent to handling operations, the Group considers that the following issues listed in Article L. 225-102-1 (III) of the French Commercial Code do not constitute major CSR risks and do not require explanation in this report: prevention of food waste and food insecurity, defense of animal well-being and a responsible, fair and sustainable food system.

## Independent third party's report on consolidated non-financial statement

**EY et Associés** Statutory Auditor Member of Compagnie Régionale de Versailles  
Tour Oxygène • 10-12, boulevard Marius Vivier Merle - 69393 Lyon Cedex 03  
S.A.S. à capital variable • 438 476 913 R.C.S. Nanterre

### JACQUET METALS • Year ended December 31, 2020

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the statutory auditors of your entity Jacquet Metals (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

### The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and which are available on request at the entity's head office.

### Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

## Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000<sup>1</sup>.

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code as well as information set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anti corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its their business relationships, its their products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (exemple : anti corruption, responsible procurement, etc.), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: IMS France;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1 , we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 5% and 6% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## Means and resources

Our verification work mobilized the skills of two people and took place between November 2020 and mars 2021 on a total duration of intervention of about three weeks.

We conducted four interviews with the persons responsible for the preparation of the Statement including in particular the General Management, Administration and Finance, Internal Audit, Human Resources and Purchasing.

<sup>1</sup> ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris, La Défense, March 26, 2021

### The Independent third party

French original signed by:

#### EY et Associés

Jean-François Bélorgey • Partner  
Christophe Schmeitzky • Partner, Sustainable Development

## Appendix 1 The most important information

### Social Information

#### Quantitative Information (including key performance indicators)

- Frequency and severity rate of accidents at work.
- Short-term absenteeism rate.

#### Qualitative Information (actions or results)

- Employment (attractiveness, retention).
- Organization of work (organization, absenteeism).
- Health and safety (prevention actions).
- Training.

### Environmental Information

#### Quantitative Information (including key performance indicators)

- Volumes of waste generated during cutting.

#### Qualitative Information (actions or results)

- Circular economy (raw materials, waste management).

### Societal Information

#### Quantitative Information (including key performance indicators)

- Percentage of suppliers exposed to environmental risk who have adhered to the Group's supplier code of conduct.
- Percentage of suppliers exposed to human rights risks who have signed up to the Group's supplier code of conduct.
- Percentage of suppliers exposed to the risk of corruption who have adhered to the Group's anti-corruption code of conduct.

#### Qualitative Information (actions or results)

- Subcontracting and suppliers (environmental and social issues).
- Actions taken to prevent corruption.

JACQUET METALS is a European leader in the distribution of specialty steels.  
The Group develops and operates a portfolio of three brands:

**JACQUET** stainless steel quarto plates - **STAPPERT** stainless steel long products - **IMS group** engineering steels

With a headcount of 2,857 employees, JACQUET METALS has a network of  
106 distribution centers in 25 countries in Europe, Asia and North America.

---

**JACQUET METALS:** Thierry Philippe - Chief Financial Officer - [comfi@jacquetmetals.com](mailto:comfi@jacquetmetals.com)  
**NEWCAP:** Emmanuel Huynh - T +33 1 44 71 94 94 - [jacquetmetals@newcap.eu](mailto:jacquetmetals@newcap.eu)



