ARTICLE

LECTRA'S PATHWAY TO DECARBONIZATION

As part of the group's 12 commitments to improving social and environmental standards, Lectra is assessing its carbon footprint and optimizing its global supply chain in the aim of reducing impact.

Lectra is committed to demonstrating industry leadership through its Corporate Social Responsibility (CSR) policy, which is central to corporate strategy. The group strives to fulfill commitments in all areas of social and environmental commitment. To reduce the environmental footprint of its business activities, Lectra is carrying out actions to reduce greenhouse gas emissions from company-controlled resources, as well as all emissions generated in the upstream and downstream value chain.



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Decarbonization is one of Lectra's five key CSR commitments.

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Measuring impact through carbon accounting

The first step to reducing the group's greenhouse gas emissions is conducting a carbon assessment. Carbon accounting quantifies the impact a business has on the environment—both upstream and downstream. The Greenhouse Gas Protocol is the most widely recognized global standard for measuring emissions. It categorizes emissions into three scopes:

SCOPE 1: emissions resulting directly from the reporting company's operations

SCOPE 2: emissions resulting indirectly from the purchase and use of energy

SCOPE 3: all other indirect emissions that occur in the company's value chain

Using the Greenly carbon accounting platform, Lectra is in the process of measuring its greenhouse gas emissions. An initial measurement of all three scopes will be completed by June 2023. The findings of this carbon assessment will enable Lectra to establish a decarbonization action plan by 2024.

STEPS TO REDUCING LECTRA'S GREENHOUSE GAS EMISSIONS

Decarbonization is a cycle of continuous process improvement comprising four steps:

- #1 Carbon footprint assessment
- #2 Identification of greenhouse gas emitters
- #3 Implementation of a decarbonization plan with measurable targets
- #4 Regular review to check the effectiveness of each measure

Although carbon assessment is an ongoing effort, Lectra is already working to reduce the group's carbon footprint in these areas:

- Reorganizing the group's supply chain
- Adopting sustainable procurement
- Applying ecodesign principles
- Powering operations sustainably



Reorganizing the group's supply chain

Because transporting components and assemblies across the world has an impact on the climate, Lectra is working to make the group's supply chain more sustainable.

Currently, the group runs manufacturing operations in Bordeaux-Cestas, France—its original manufacturing facility—and in Tolland, Connecticut, where it has recently taken over management of the Gerber manufacturing facility.

The group now internally manufactures Gerberbrand products that were previously subcontracted to a third party (representing 20% of all equipment sales), with a procurement policy focusing on local suppliers, the vast majority of which are based in North America.

To reduce greenhouse gas emissions during shipping, Lectra also consolidates customer orders and charts delivery routes with the **least environmental impact**, **opting for maritime transport whenever possible**.



95% of components

used by Lectra's Bordeaux-Cestas facility come from European suppliers.

LOCAL SOURCING FOR REDUCED IMPACT

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Adopting sustainable procurement

At Lectra, working with suppliers that share our convictions is important. The Group's industrial activities depend on an international network of more than 750 industrial suppliers, mainly in the localities of group manufacturing facilities.

Local suppliers are already involved in sourcing decisions whenever possible, in an effort to improve the sustainability of equipment design and assembly. Today, **95% of our components for the Bordeaux-Cestas production facility come from European suppliers.**

In 2011, the group set out its own responsible purchasing policy in a charter. In 2021, Lectra signed the French National Procurement Council's Charter for responsible supplier relations. In accordance with these charters, Lectra, its suppliers and our suppliers' suppliers undertake measures to ensure their practices conform to the standards. In 2023, Lectra will establish a new, more rigorous charter. The aim is for the new charter to be signed by 88% of the entire industrial supplier base by 2025.

Applying ecodesign principles

Sustainability is integral to the development of Lectra products. Each new generation of equipment is designed to deliver improved performance while reducing environmental impact. Lectra's R&D teams strive to improve sustainability by **reducing the upstream carbon footprint or optimizing usephase energy consumption.**

To do so, Lectra has gradually begun incorporating ecodesign principles into product development. Ecodesign is a methodical approach to designing products and services that takes into account environmental considerations at the design and development phase, with the aim of reducing negative environmental impact throughout the lifecycle of the product.

Powering operations sustainably

The group's buildings account for the majority of its energy consumption, to run heating, air conditioning and lighting. To enable more efficient energy use, Lectra is upgrading its industrial complexes, which represent **65% of buildings occupied by the group and 40% of its workforce.**

In 2015, an energy improvement plan was devised for the Bordeaux-Cestas manufacturing facility in the aim of reducing energy consumption by 30% by 2030. This plan is broken down into several areas of focus:

- building renovation, to bring the entire site into line with the best standards in terms of thermal insulation, heating, ventilation and air conditioning and energy-efficient lighting;
- centralized control, via a building management system (BMS) for all heating, ventilation and air-conditioning installations to manage temperatures as accurately as possible;
- extension of the useful life of PCs, laptops and screens through a revised replacement policy and awareness-raising campaigns aimed at promoting best practices for users.

Lectra is also working with renewable energy specialist Idex to install solar panels at its Bordeaux-Cestas campus and generate the equivalent of 10% of power to cover its own electricity requirements. In North America, the group's Tolland facility has revised its utility contract to acquire 25% of electricity from renewable energy sources.

REDUCED POWER CONSUMPTION

- The Bordeaux-Cestas manufacturing facility's energy improvement plan aims to reduce consumption by **30%**.
- The group's Tolland facility has revised its utility contract to acquire **25%** of electricity from renewable energy sources.

Through the years, Lectra has implemented a wide range of initiatives to lead the industry on environmental issues, including adoption of an environmental management system, more efficient energy and water consumption, reduction and sorting of waste, and a more environmentally responsible business travel policy.

 \longrightarrow To find out more, read our Corporate Social Responsibility (CSR) policy.

