

ARTICLE

SUSTAINABLE PROCUREMENT, AN INTEGRAL PART OF LECTRA'S RESPONSIBLE BUSINESS PRACTICES

LECTRA ATTACHES A HIGH DEGREE OF IMPORTANCE TO WORKING WITH PARTNERS AND SUPPLIERS THAT SHARE OUR VALUES AND CONVICTIONS. RESPECTING THE HIGHEST ETHICAL STANDARDS IS NON-NEGOTIABLE. THAT'S WHY OUR PROCUREMENT POLICY INCORPORATES SUSTAINABILITY COMMITMENTS INTO OUR SUPPLY CHAIN MANAGEMENT.

Our group has long endeavored to promote socially and environmentally responsible business practices. Since Lectra's founding, we have helped customers reduce their environmental impact by lowering their material consumption. To support more sustainable production models and positively impact society, we have incorporated Corporate Social Responsibility (CSR) commitments into our long-term vision—the Lectra 4.0 strategy.

Integrity and transparency are essential to all we do at Lectra. Our CSR policy sets forth 12 commitments in five areas where the group can make a difference. To uphold uncompromising ethical standards, Lectra strives to lead by example. Because we want to work with suppliers and partners who share our values, we have adopted the Responsible and Sustainable Purchasing Charter, which outlines our objectives and the level of compliance we expect from them.



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#1

Why sustainable procurement matters for the entire Lectra ecosystem

Responsible business conduct is essential to achieving transformational change. As part of its growth and sustainable development strategy, Lectra is committed to advancing the Sustainable Development Goals of the United Nations 2030 Agenda for Sustainable Development.

"Our value chain has an economic, environmental and social impact everywhere in the world the group and its suppliers operate," explains Frédérique Duffaud, Vice President Sustainability, Lectra. "The group's responsible approach to procurement requires suppliers, sub-contractors and partners to comply with the same principles. Their commitment to these obligations is critical to fulfilling the Lectra 4.0 strategy." With increasing customer demand for environmentally sustainable products, sustainable procurement practices are likely to develop into the standard approach to purchasing. Acting to build a sustainable supply chain today will give the group a competitive advantage in the future.

"Businesses that fail to institute sustainable procurement practices will be left behind," remarks Frédérique Duffaud. "Building a responsible foundation for purchasing today will allow Lectra to ensure the sustainability of its supply chain management through ethical business practices."

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FRÉDÉRIQUE DUFFAUD

Vice President Sustainability Lectra



#2

Lectra's Responsible and Sustainable Purchasing Charter

In 2011, Lectra set out its first responsible purchasing policy in a charter incorporating measures to ensure supplier compliance with the agreed standards and commitments. Ten years later, the group took another step forward by signing the Responsible Supplier Relations Charter put in place by the French National Procurement Council together with the French Business Mediation Office.

Concurrently, the group reinforced its sustainable procurement initiatives with several long-term actions. To support suppliers in their own CSR efforts, a continuous improvement expert has been designated to provide guidance and advice. A CSR indicator was also incorporated into the group's Supplier Relationship Management (SRM) system to track compliance.

In 2023, Lectra adopted a new, more rigorous charter to:

- foster innovation and contribute to Lectra's premium products and services;
- satisfy customer demand;
- reduce social and environmental risks and impacts;
- support business operations;
- and improve the quality and efficiency of supplier relations.

With the adoption of the new charter—applicable to all group entities and both Lectra and Gerber production sites—Lectra and its suppliers are liable for their actions as well as their suppliers' actions, including in ethical matters, regarding environmentally sound and socially responsible procedures, and compliance with safety regulations, human rights and labor laws. To date, 80% of group purchasing staff have received training in responsible purchasing practices. The aim is for the new charter to be signed by 88% of the group's industrial supplier base by 2025.

92% of industrial manufacturing purchases comply with the group's Responsible and Sustainable Purchasing Charter. #3

Sustainable industrial purchasing strategy on a global scale

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 plants in Bordeaux-Cestas, France—its original manufacturing facility—as well as in Tolland, Connecticut, USA, and in Suzhou, China, where the group has recently taken over manufacturing operations. In-house management of the Tolland and Suzhou plants has paved the way to implementation of Lectra's sustainable industrial purchasing strategy on a global scale. To reduce its carbon footprint, Lectra prefers to work with suppliers based near its production sites. The group's industrial operations rely on an international network of more than 750 industrial suppliers, located mainly near group manufacturing facilities and playing an essential role in business activity. Lectra's suppliers all comply with local environmental and labor regulations, which provides assurance of a high standard of business conduct.

Local industrial sourcing for reduced environmental impact



95% of the components used at Lectra's Bordeaux-Cestas plant are sourced from European suppliers, reducing the carbon footprint of our industrial manufacturing activities. The Tolland facility sources parts predominantly from American suppliers.

#4

A significant milestone in the Group's ongoing commitment

The group's Responsible and Sustainable Purchasing Charter represents a significant milestone in Lectra's ongoing commitment to drive sustainability transformation, both in our industrial operations and for the benefit of our customers. Through the implementation of our Lectra 4.0 strategy, our business enables stakeholders from across our global ecosystem to achieve positive impact in accordance with the UN's Sustainable Development Goals.

