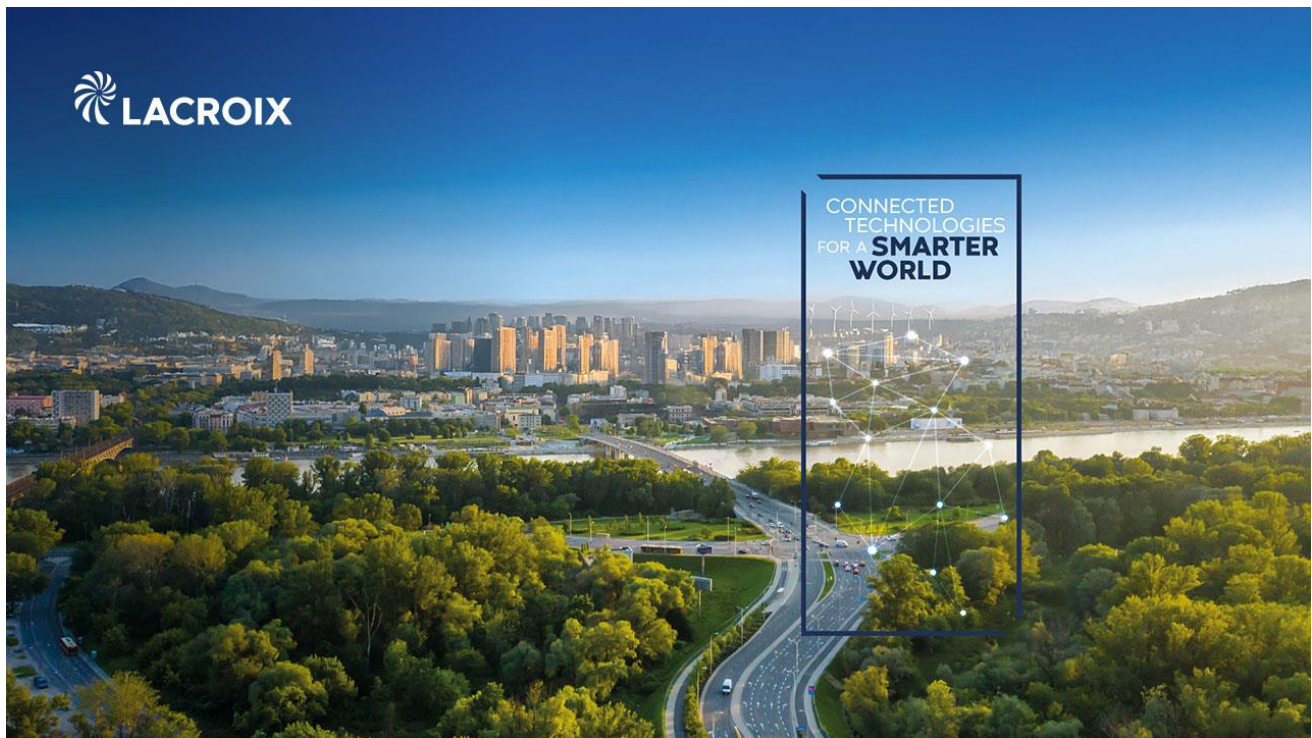




2026 Quality and Environmental Policy

Electronics Activity



Our ambition is to regain the position of trusted partner of our customers

2025 has been very challenging in all LACROIX plants, putting the organizations under pressure. Our ability to minimize the consequences has demonstrated our resilience but has revealed some structural weaknesses and potential improvements areas as well to be tackled in 2026 to ensure a brighter future for our business.

In a context of high uncertainty and geopolitical crisis, our end markets will likely react very differently. Automotive market will remain under pressure, Aerospace and Defense will continue to face a substantial growth, HBAS (Home and Building Automation Systems) and Industrial segments have probably reached a lower in 2025 and should see a slight improvement.

For 2026, LACROIX Electronics is targeting to continue to satisfy our different stakeholder's:

- our customers, excelling in our operations and being perceived as a benchmark in our deliveries, our quality performances and our cost model
- our shareholders, delivering our budget commitment in term of EBIT and cash
- our employees, ensuring wellness at the center of our daily activities along with meeting our Corporate Social Responsibility targets

Climate change is obviously a reality, making echo to the LACROIX positive impact strategy, based on the conviction that technology has a role to play to limit climate change.

Our progress plan is structured around five “burning platforms”, addressing business, quality and environmental objectives:

1. Improving our top line in our business segments (automotive, aerospace and defense, Home and Building Automation System, Industrial and Medical)

- Define a clear strategy by segment identifying the potential addressable sub-markets, the main players to be developed and the offer to be pushed
- Develop growth plan in Europe
- Review Quotation strategy and Pricing model, optimizing industrial footprint in regards of product needs
- Include the Impact Score in the business segment strategy definition

2. Improve our competitiveness and performance to better serve our customers:

- Streamline overhead cost and ensure the central resources are bringing the adequate support to the plant in project phase and in Operations
- Improve project execution by deploying the new LED and ensure a better anticipation of the potential risks
- Pursue the deployment of a robust digital roadmap
- Investigate how AI can support administrative processes and improve operational performance
- Deploy Lesson Learned and reinforce claim management process and tools
- Develop our Cyber resilience
- Study how IMPULSE can support an eco-design approach

3. Organization and People as a key lever:

- Integrate Impulse by developing common commercial roadmaps, reinforcing our expertise/credibility on the selected offers on the different markets

- Propose a new commercial organization, better integrated, adapted to segment needs (profile of customers, country targeted, offer types...)
- Manage the expert networks (e.g test development, DFX network) to strengthen synergies, transversal support, skill development and reinforce our expertise in our plants ...
- Drive the Great Place To Work © action plan
- Pursue the deployment of our CSR roadmap:
 1. Product carbon Footprint calculation method
 2. Follow-up of Impact score and Carbon emissivity
- Make our plants a safe place to work

4. Ensure Financial Resilience:

- Reinforce the S&OP process (Sales and Operations Planning)
- Develop inventory model and rules fitting our business needs
- Improve our purchasing performance taking into account the new ELEC size and footprint. Challenge NRC (non recurring cost) to improve our offer
- Ensure a tight inventory control on sites
- Recover backlogs

5. Rationalize our Industrial Footprint

- Adapt our footprint to our business needs and assess the opportunity to grow
- Focus Beaupréau on performance improvement in a business model where Mghira is developing back-end activities for Aeronautics' customers
- Optimize the layout of Kwidzyn plant 1&2 to remain competitive on its different markets (Automotive and Industrial)
- Ensure our Willich plant layout is suitable to continue to grow smoothly by capturing the business on the selected segment
- Set the addressable market for Zriba and define the corresponding footprint
- Deploy the environmental roadmap on each of our site along with the committed site action plan

In the coming weeks, we will take advantage of our 2030 strategic plan to document further the best way to implement our transformation journey

LACROIX Electronics Leadership is committed to be role model in this transformation and to support our employees in the journey, while ensuring a full compliance to norms and regulation.

Feeding this environmental and quality management system in a continuous improvement loop, is the responsibility and commitment of all employees.

Arnaud LESSCHAEVE

EMD LACROIX Electronics Activity