

# In transition



## Purpose report 2022

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(Cover Image) Cooling towers in South Korea:  
in 2022, John Cockerill took over the Hamon Group's cooling activities.

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# 1

## Word from the Board

### In transition

In a constantly changing world, our ambition to have a positive impact on all of our stakeholders remains intact. In 2022, we integrated the activities of the Hamon group to become the world's leading player in the field of cooling and strengthen our position in energy; we intensified our investment in the hydrogen sector; we won long-term contracts, particularly in industry, energy and services; we launched a reform of our governance and reviewed our organization; we enriched our ESG roadmap and launched John Cockerill 2025, a plan to guide the Group's transformation and strengthen its balance sheet. In the international context of global warming and geopolitical instability, we want, through our own transition, to support that of our customers – companies, States and communities – with technological solutions expressly dedicated to the needs of our time: establishing carbon-free industries in the territories, securing access to fossil free energies and contributing to defending peace and the sovereignty of states.

It is a fundamental trend. Year after year, John Cockerill has directed its portfolio of technologies towards supporting the environmental transition and countering global warming: treating and recovering industrial and municipal effluents, strengthening low-carbon energy production capacities and, because the best energy is that which is not consumed, improving the energy efficiency of industrial processes.

The integration of the Hamon group's cooling technologies was the first major step for 2022. The activities of this world leader in the field of cooling offer strong technical synergies with our steam generators for gas-steam combined cycle power plants and numerous commercial synergies with the Group's other historical activities. From a geographical point of view, in addition to expanding our international coverage with energy companies around the world, this operation provides John Cockerill with solid operational bases in South Korea and Indonesia, which will help us develop our activities in Southeast Asia.

#### Confirmation in green hydrogen

In particular, we implemented commercial programs from our subsidiary in China, maintaining our leadership in alkaline electrolyzers with more than 20% of the world market share. In Europe, supported by the European Union, we developed an entirely European electrolyzer and embarked upon the construction of a first electrolyzer gigafactory in Aspach-Michelbach (France). In addition, following India and Greenko in 2021, we entered into an agreement with a Moroccan energy company to develop the hydrogen sector in the Kingdom from an electrolyzer gigafactory to be built and operated together.

Our defense activities were also in transition. As the contract that has been the main driving force for the activity of the last few years is coming to an end, efforts are being focused bringing new programs under discussion to fruition. After-sales operations and technological developments took precedence over production, with the very well-received release of the Cockerill®i-X, our ultra-fast ground interception vehicle. The workforce of

John Cockerill Defense was adjusted by way of transfers to the Group's other activities.

2022 was also a year of major contracts, such as for the design and supply of the largest heat recovery boiler in the world for Flémalle Power Plant (Belgium). Our Industry Business recorded the largest order in its history from ArcelorMittal Nippon Steel in India for two high-performance steel processing lines. Our service activities also expanded in Africa, including the construction of hydraulic infrastructure in Côte d'Ivoire.

#### Strengthened governance

In 2022, on the initiative of the Board of Directors, the Group redefined its governance model to provide each Business with greater flexibility, within a strengthened global framework. Operations are now organized into five specific structures (the Businesses), which are responsible for their results, while the Group's essential functions have been revisited to provide greater cross-functionality, in particular with the creation of major activity hubs in India and the United States to accelerate the Group's growth in and from these countries.

The management team has also been remodeled. Led by François Michel, CEO of John Cockerill since June 1, 2022, it is steering this governance reform, the deployment of which is spread over several months, with a changeover on January 1, 2023. Once the organizational transition is complete, the Group should demonstrate greater robustness and competitiveness to continue its growth on a global scale.

#### Renewed ESG commitment

At John Cockerill, we seek to have a positive impact on all of our stakeholders, both through our technologies and through our operating methods. We took advantage of 2022 to further structure our ESG approach, which fits perfectly with the mission that has driven us for two centuries, that of meeting the needs of our time.

In terms of governance, we launched a major project to strengthen transparency in the way we conduct our business. Documentation of the legal and regulatory compliance of activities will be strengthened.

Particular attention was paid to the health and safety of our employees in 2022. After the exceptional circumstances of Covid-19, our 2022 accident frequency rate deteriorated to 3.37. Following a strong management response concerning the entities most at risk, we launched a substantive action program to raise awareness among our staff, starting with line management, of the imperative need to ensure their health and safety, and encourage them to adopt good habits in this regard.

To complete the Group's "business" impact, the John Cockerill Foundation supports projects focused on improving the quality of life of the communities in whose vicinity we operate, all over the world. Our employees contribute to this in large numbers, and on a voluntary basis. In 2022, the Foundation notably collaborated with a Thai Foundation to equip a macadamia nut and coffee production unit, as well as an administrative building with a sustainable and clean energy system.

#### Volumes up, profitability to be strengthened

In terms of financial performance, 2022 was characterized by a marked resurgence in our commercial activities with a return to pre-Covid-19 trends: our order entries went from €951 million in 2021 to 1.293 billion in 2022 (+36%) and our 2022 turnover increased by 10%, rising above one billion euros (€1.046 billion). This increase in volumes is evenly distributed across all of the Group's activities, which bodes well for the next financial year.

Our challenge today therefore concerns profitability: the 2022 EBITDA was €46.7 million, down 15% compared to 2021. The 2022 financial year was marked by three factors: the significant reduction in the contribution of defense activities, profitability still below the cycle of the Group's historical activities (particularly following the difficulties in executing a few projects that drove down our overall profitability) and the ramp-up of green hydrogen activities which, as promising as they are, consume significant amounts of cash.

As for our cash position, it stood at €230 million at the end of the year (a bonus of €10 million compared to 2021), mainly thanks to significant inflows at the end of the year. We will follow this very attentively in 2023, in the knowledge that the needs in this area will be significant, particularly on the part of our Hydrogen Business.

#### John Cockerill 2025

The level of profitability of our historical activities is therefore at the center of our attention, in the same way as the financing of the activity in green hydrogen. We have learned from this and launched a proactive plan in early 2023, aimed at restoring our performance and profitability in a sustainable manner. The objective is twofold: to regain the level of performance necessary to develop our traditional activities, while realizing the Group's potential in green hydrogen through strategic partnerships. This John Cockerill 2025 plan addresses both the control of structural costs and the rebalancing of our locations as close as possible to the markets or the preparation for future growth and the development of Talents. It is accompanied by quantified commitments and should allow the Group to develop a strong and profitable international base by 2025, both in our traditional businesses and in green hydrogen.

#### Great confidence

While the challenge is great, our commitment and our determination to meet it are greater still. We believe in the potential of our activities and have great confidence in the ability of our teams to give John Cockerill fresh impetus by carrying out our threefold transition: the transition of our organization and our governance, based on a strengthened management team and a clear strategy; the transition of our profitability model, which must cover all activities; and the transition of our portfolio of technologies, through which we support our customers in their own transition. In doing so, we intend to contribute to the establishment of low-carbon industries in local areas, secure access to fossil free energies and guarantee the peace and sovereignty of populations. To ultimately, sustainably, continue to meet the needs of our time.



François Michel  
Chief Executive Officer



Bernard Serin  
Chairman

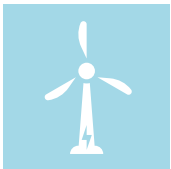


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## Operations 2022

# Large-scale technological solutions to meet the needs of our time

In 2022, John Cockerill conducted its operations absolutely in line with the mission it has set itself: to meet the needs of its time. As an engineering and technological services group, its contribution to meeting the major challenges of the world has, of course, focused on technological and technical solutions, developed on a large scale across the planet in order to make them available to as many people as possible. Designed and deployed with the entrepreneurial and innovative spirit that has characterized its teams for more than 200 years, these solutions relate to six global objectives directly linked to the Sustainable Development Goals defined by the UN.



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## Operations 2022

### Facilitating access to fossil free energies

Using fossil free fuels is crucial to mitigating climate change. John Cockerill facilitates access to low-carbon or carbon-free energy sources such as the sun, water, wind or the atom to produce electricity, as well as green hydrogen to store energy and make it accessible where and when needed.

In 2022, in the context of energy transition, John Cockerill teams deployed technologies and services in projects that contribute to the decarbonization of human activities.



### Hydrogen: assertive leadership

In 2022, John Cockerill continued to invest in the hydrogen sector. In Europe, the construction of our first electrolyzer production plant continued according to schedule, while the European Union decided to financially support our project under the IPCEI Hy2Tech program.

Think globally, act locally: 2022 was the year that saw an acceleration in our international expansion. After entering into a strategic partnership in India in 2021 with the leader in renewable energies Greenko, John Cockerill set up a similar partnership in Morocco, in 2022, with a national energy leader to, jointly develop the local hydrogen industry there too.

In China, John Cockerill supplied the Chinese oil and chemical group Sinopec with 24 stacks out of the 52 for the world's largest solar-powered hydrogen project, i.e. 20,000 tonnes produced per year. Enough to reduce the refinery's CO<sub>2</sub> emissions by 485,000 tonnes.



In 2022, the DEWA **solar power plant** (United Arab Emirates) produced its first 100MW of carbon-free electricity. Some 70,000 heliostats reflect the sun's rays towards the top of the tower, where the technological heart of the plant is installed: John Cockerill's thermo-solar receiver. Impressed by this 24-hour solar power generation technology, the client commissioned John Cockerill to design a similar type of plant in South Africa.



## Nuclear: interventions on 19 sites in 2022

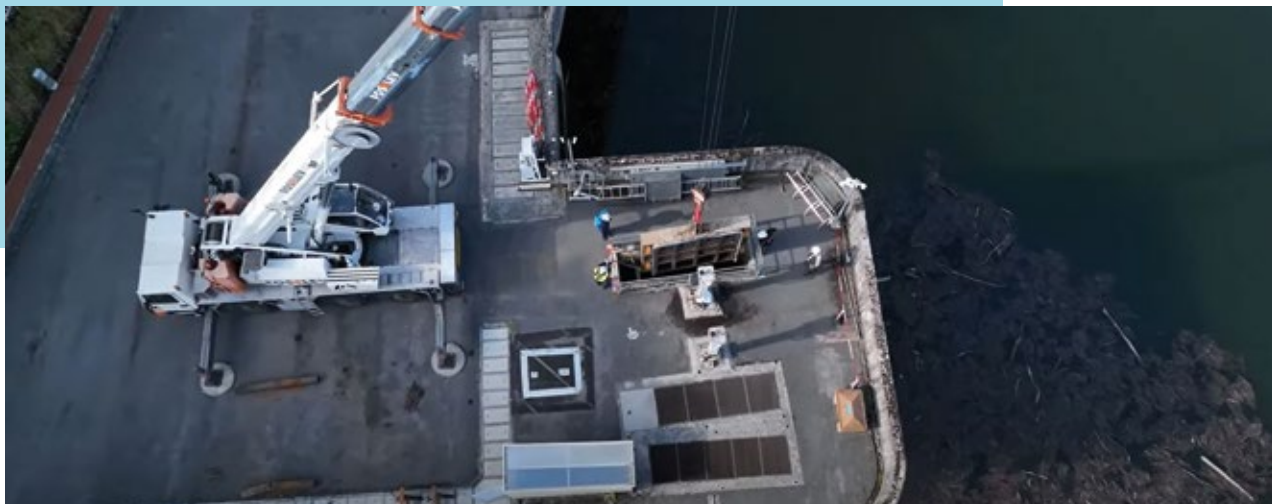
Energy produced from atoms is part of the solution to decarbonize the economy. Maintenance of circuit components (reactor vessel and steam generators), rotating machines and overhead cranes, pipes and anchors, valve equipment, even modernization of facilities and manufacturing of ultra-secure equipment for contaminated waste: 2022 was the fourteenth consecutive year during which the women and men of John Cockerill contributed to the maintenance and safety of nuclear power plants.

Having become France's second-largest valve player, John Cockerill worked on the 17 power plant sites in operation, as well as Fessenheim Power Plant (shutdown) and Flamanville EPR. The confidence nuclear players have in John Cockerill was reflected in a first mission to the United Kingdom, outside the historical Franco-Belgian scope of the Group in the nuclear field. And the takeover of Hamon's cooling activities further increased John Cockerill's presence in the nuclear industry.





As France's third-largest **hydroelectric facility** in terms of installed power, with its 800 MW reached in just two minutes, the EDF Revin pumped energy transfer station has benefited from several maintenance and upkeep operations by John Cockerill experts: in 2022, our teams renovated, manufactured and installed gates and cofferdams. The interventions of our specialists on this site help to ensure an annual production of clean electricity equivalent to a city of 200,000 inhabitants.



In 2022, our 130 experts maintained 200 **onshore and offshore wind turbines** in Belgium, France, Brazil and, as pictured here, in the Netherlands. The wind turbines maintained by John Cockerill's technicians help to avoid the annual emission of 800,000 tonnes of CO<sub>2</sub>, while also supplying 500,000 households with renewable energy. These operations improve the reliability, performance and availability of wind farms in strict compliance with safety rules.

## Operations 2022

### Enabling sustainable industrial production

In 2022, John Cockerill continued to support its industrial and energy customers in their transition to sustainable production. Its teams stepped up their operations to design, install, modernize and maintain their production tools. Objectives: reduce energy consumption, minimize discharges and enable these to be treated, improve yields.



### Hamon's cooling activities: the largest acquisition in 20 years

Completed in 2022, the takeover of the "cooling" activities of the Hamon group is the largest acquisition for John Cockerill over the last 20 years. Its activities and technologies are complementary to those of John Cockerill, with systems used to cool water or condense steam from power plants, particularly nuclear ones, or from industrial processes.

The takeover of the Belgian, French and Spanish entities ensures that strategic activities for Europe in the area of industry and energy remain under European control. Acquisitions in Korea and Indonesia allow John Cockerill to establish a long-term presence in these countries and strengthen its position in Southeast Asia with expertise in line with what it offers in the energy business. These acquisitions strengthen the range of products and services offered by John Cockerill in line with its commitment to low-carbon energies and sustainable industry.



## Improving the performance of combined cycle power plants

A world expert in heat recovery boilers, John Cockerill stepped up its installation and modernization projects on gas-steam combined cycle power plants in 2022. In all cases, there was a single objective: to increase the efficiency of natural gas with the addition of a steam cycle and thus produce up to 50% more electricity without any additional CO<sub>2</sub> emissions.

In this way, the teams designed a boiler to equip a Belgian 875 MW power plant, one of the most powerful in the world. They also designed the steam generator for the Grudziąz power station (Poland) and commissioned those for a power station in Alberta (Canada). In Southeast Asia, the technical teams worked on improving the performance of a plant in Singapore.



## Supporting the steel industry to reduce its CO<sub>2</sub> emissions

In 2022, John Cockerill contributed to two international innovation projects aimed at drastically reducing CO<sub>2</sub> emissions from steelmaking processes. Siderwin, which uses electrolysis to isolate iron from ore, produced its first plates. DMX, which is aimed at capturing CO<sub>2</sub> emanating from blast furnaces, saw its demonstrator start up in Dunkirk (France).

In addition, the teams booked orders for eco-efficient steel processing lines from the largest steelmakers in the world, with two lines to be installed in North America and three more in India.



No industrial performance without maintenance expertise. Reliable and durable equipment requires constant maintenance. More than 1,900 employees were involved in **facility maintenance and modernization** operations in 2022. John Cockerill has improved the technical, economic and environmental performance of industrial equipment thanks to its many diversified areas of expertise.

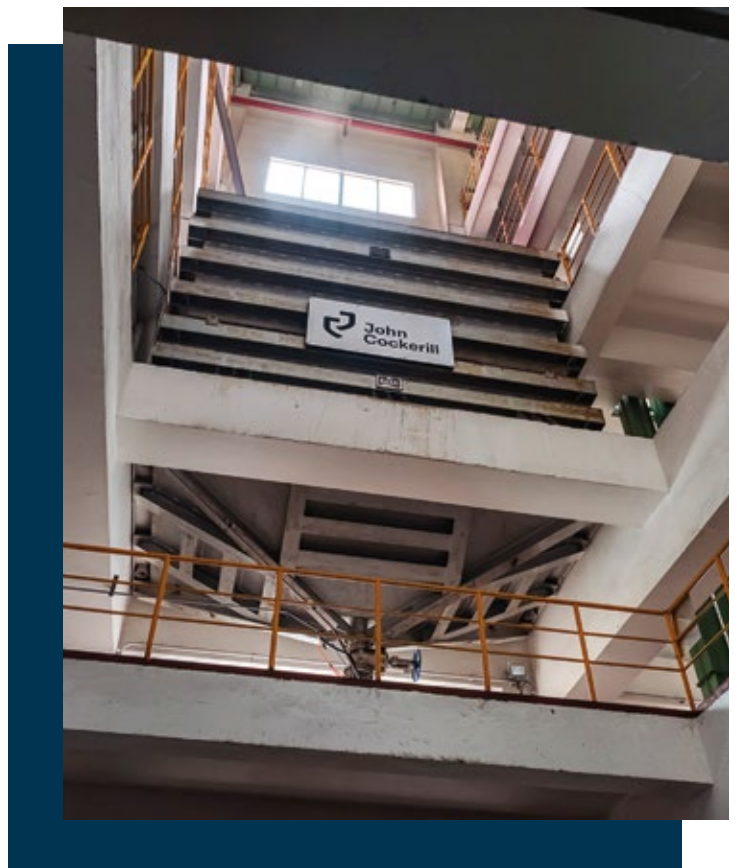


## Treating industrial discharge to give them a second life

In 2022, John Cockerill continued to support its customers to enable them to minimize and treat discharges from their industrial processes. In China, it supplied the largest acid regeneration facility in the world to the steelmaker Baowu. Enough to purify 20,000 liters of spent hydrochloric acid per hour twice and allow it to be reintroduced into the pickling process, while reducing the site's carbon footprint by 4,800 tonnes of CO<sub>2</sub> per year.

In Belgium, it commissioned a fifth multiple hearth furnace "The Nesa Solution<sup>®</sup>" for Chemviron. These furnaces reactivate the used activated carbon, restore its initial properties and therefore enable it to be reused in air and water treatment units.

In France, John Cockerill designed seven gas scrubbers for a world leader in microelectronics in order to treat 515,000m<sup>3</sup> of air per hour extracted from clean rooms, as well as a third liquid effluent treatment station to purify water from the zirconium production workshop of Framatome Jarrie, a major player in the nuclear industry.



## Operations 2022

### Preserving natural resources

Preserving natural resources, i.e. reducing their consumption, minimizing their waste and enabling their treatment, recycling or even better, their valorization: this is one of the six global objectives pursued by John Cockerill with dedicated technologies.

In 2022, our teams were involved in various operations in this respect, through technologies for the recovery and valorization of wastewater and other municipal organic waste, the treatment of odors from wastewater treatment plants and the recovery of rare metals contained in electrical and electronic waste.



### Innovating to better treat wastewater and recover sludge

In 2022, John Cockerill teams worked on more than 130 wastewater treatment plants (STEP) for municipal and industrial customers, mainly in Benelux and France. The customized, high-performance biological purification solutions for wastewater and liquid effluents, designed and supplied by our teams, have helped our customers to reduce or even eliminate dissolved and suspended pollution, whether carbon, nitrogen or phosphorus.

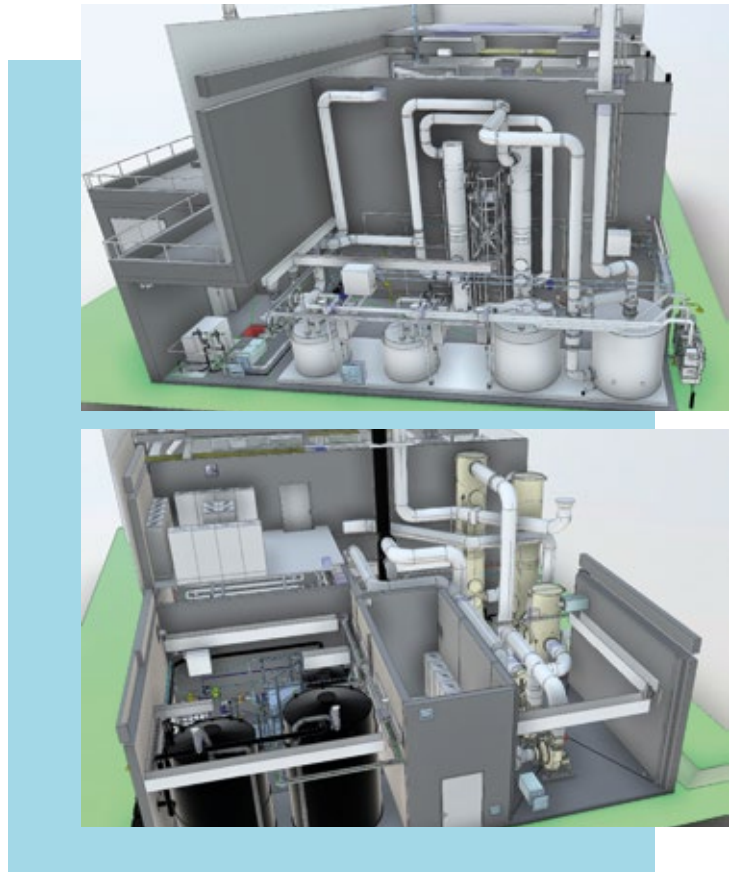
At the same time, the development teams achieved key milestones in three major innovation projects: BeFlowAGS, our biological, compact and energy-efficient water treatment process was the subject of a full-scale demonstration; MEDIX, our technology for treating micropollutants of pharmaceutical origin, achieved its first commercial success, with an order to equip a future hospital center in Belgium; and construction of the industrial pilot for the Cometha project began in the Paris region. This technology uses a co-methanization process combining methanization and a high-temperature pyrolysis reactor to recover sludge from municipal wastewater treatment and the residual organic fraction of household waste.



## Recovering nitrogen from a wastewater treatment plant and deodorizing its effluent

In 2022, Suez selected John Cockerill to equip the French plant of Pau with a pioneering positive energy wastewater treatment model, a nitrogen recovery solution and deodorization units. The nitrogen recovery unit provided by our experts will produce mineral fertilizer from the liquid residues of biomethanation. Nitrogen is extracted via stripping treatment to produce a solution of ammonium salts that can be used locally as liquid agricultural fertilizer.

To eliminate the odors emanating from the buildings used for sludge thickening and dehydration by hydrothermal carbonization, John Cockerill designed a double-storey activated carbon treatment and physico-chemical gas scrubbing unit. Enough to deodorize nearly 13,000m<sup>3</sup> of air every hour.

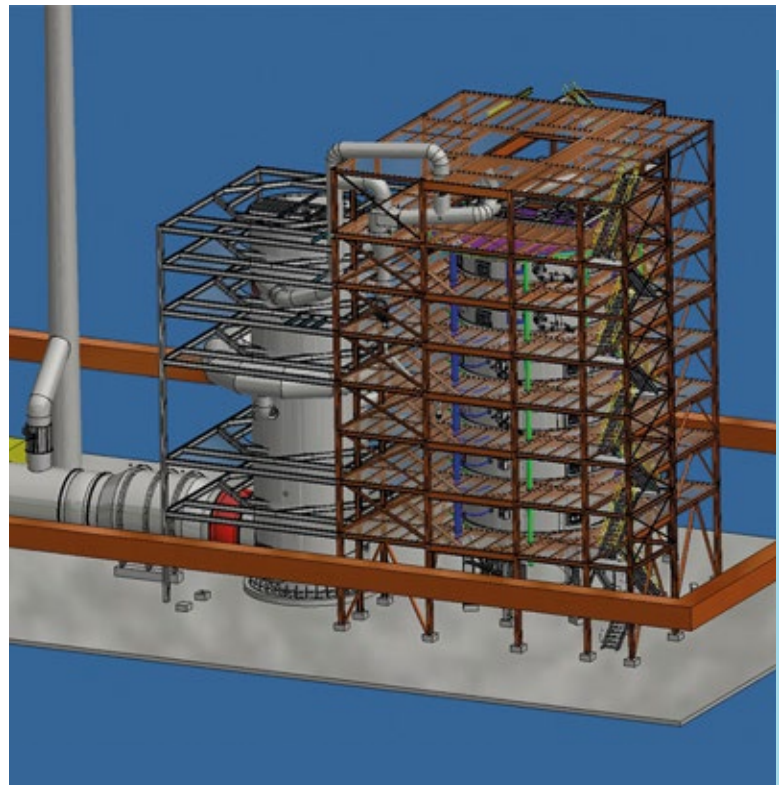


## Recycling precious metals from electronic waste

The availability of precious metals has become a major issue in our technological age. In 2022, an American customer chose one of our latest generation multiple hearth furnaces (MHF) as the centerpiece of their new electronics recycling plant under construction in the United States.

Thanks to an innovative pyrolysis treatment, our multiple hearth furnaces make it possible to separate and recover 98% of the metals (copper, gold, silver, palladium, etc.) contained in waste electrical and electronic equipment while minimizing harmful emissions associated with traditional metal recovery.

By facilitating the recycling of these metals, John Cockerill prevents them from being landfilled, limits the extraction of new resources and thus acts to benefit a more circular economy.



## Operations 2022

### Contributing to greener mobility

John Cockerill is developing a range of technologies and services to provide communities with greener mobility and more sustainable transport solutions. These relate to rail transport, road transport and river and maritime transport.

In 2022, our teams provided training simulators for Belgian and French rail operators, expanded the Panama metro network, equipped a Belgian road transporter with a micro-power plant for the production and distribution of solar energy, and even modernized infrastructure of the Navigable Waterways of France.



### Simulators for the economical training of rail operators

Railway simulation makes it possible to train operators in safe and secure conditions that are ever closer to reality while avoiding the deployment of rolling stock and the monopolization of lines. This is why SNCF Réseau, SNCB and STIB invested in John Cockerill Transurb® simulators in 2022.

The manager of the French rail network ordered 30 nano-simulators and several instruction, preparation and observation stations. These flexible and scalable technologies meet transportability needs between the different SNCF regional centers.

In Belgium, the STIB has chosen a compact simulation solution to prepare its employees for its new trams. SNCB, for its part, uses a Transurb® simulator to attract and recruit its future train drivers.



## Extension and maintenance of two Panama metro lines

In parallel with the finalization of the extension of Line 2 of the Panama metro, John Cockerill, via its subsidiary CIM, was awarded the Line 1 extension and the maintenance of the Line 2 railway tracks and catenaries. These two contracts demonstrate the confidence of the rail operator and represent the logical continuation of our contribution to sustainable transport in Panama.

These projects respond to a strategic issue of green mobility, quickly and securely connecting the city center to the airport and the various important points of the country's capital, over a distance of more than 37 kilometers. A contribution to sustainable mobility that can benefit 300,000 users every day.



## Green and smart charging hubs for electric vehicles

Starting from MIRIS, its pilot station for the production, storage and management of green electricity, John Cockerill has developed integrated renewable solutions for making vehicle fleets greener. In 2022, a fast charging station for electric cars and trucks saw the light of day, powered by solar energy. This is where waste collection operator Renewi recharged its electric trucks.

The Belgian logistics company WDP was also won over by this innovative and intelligent system. It ordered a micro-power station from John Cockerill, equipped with 1.5MW of photovoltaic panels, a battery storage system, John Cockerill's Energy Management System and 27 charging terminals. This installation will power the fleet of electric vehicles of road transporter VPD, a "last mile" specialist. With this activity, John Cockerill is contributing to a mode of transport that emits less CO<sub>2</sub> and to greener mobility in urban areas.





## Operations 2022

### Enhancing security

For more than 200 years, John Cockerill has been supporting the armed forces of countries with solutions to enable them to carry out their mission efficiently – guaranteeing the peace and security of their populations.

The year 2022 was no exception to this rule. It was marked by the delivery of 18 Cockerill® 3105 turrets to the Indonesian army, putting the finishing touches to the Cockerill® 3000 Series turrets of the AB program as well as providing training. The innovation teams unveiled the all-new Cockerill® i-X interception vehicle in addition to contributing to European development programs. At the same time, advanced discussions were held with the Indian and Belgian authorities on future equipment and service contracts.

These operations were carried out in the context of declining defense business revenue, which required a reduction in the number of staff dedicated to these activities. The complementary structure of the Group then came into its own, with numerous transfers to other teams in the Group, led by Hydrogen.



### The Cockerill® i-X, an unprecedented vehicle in terms of its "speed / firepower" combination

John Cockerill launched a revolutionary ground interceptor in 2022: the Cockerill® i-X. With its top speed of 200 km/h, its fully retractable 25mm cannon and its multi-sensor data fusion technology, this vehicle provides its crew with stealth, speed and intervention power. A breakthrough innovation that enables the armed forces to contribute to maintaining peace.



In 2022, 114 trainees attended the Cockerill Campus in Commercy (France), the international **training center** run by John Cockerill. They learned how to handle and maintain weapons systems in classrooms, on simulators and on real systems. Because having appropriately trained personnel is an essential condition for the armed forces to be able to carry out their mission.



## A drone to hit a target beyond direct sight

In 2022, John Cockerill finalized its contribution to the LynkEUs development project aimed at enabling the crew of a tank turret to engage a target with a missile beyond its direct line of sight. In this international project supported by the European Defense Fund, John Cockerill has developed a protected, retractable and controllable platform for the storage, take-off and landing of a multicopter drone. It has also developed the capabilities of piloting the drone and exchanging data between the drone and the turret and has equipped its Cockerill® 3030 with an AKERON® missile launcher from MBDA.

Projects such as LynkEUs enable John Cockerill to provide its innovation capabilities for the benefit of European sovereignty in terms of defense.



## Operations 2022

### Installing critical infrastructure

In 2022, John Cockerill supported local authorities in setting up infrastructure to allow access to drinking water or electricity, flood protection systems and communication routes.

The contribution of the John Cockerill teams also covers the installation, modernization and maintenance of infrastructures. Overview of a number of projects essential to the well-being and development of populations carried out both in isolated territories and in densely populated regions.



### Hydraulic and road infrastructure for the benefit of millions of Ivorians

In 2022, John Cockerill launched a large-scale project in Côte d'Ivoire aimed at supplying drinking water to more than half a million people. This project involves the construction of pumping, drinking water and water distribution infrastructure in the Bélier and Gôh regions: two pumping and treatment stations with a capacity of 1,500m<sup>3</sup>/hour and 50m<sup>3</sup>/hour respectively, as well as eleven structures (reservoirs and water towers) supplied with water by some 430 km of pipes. After the year 2022 being devoted to environmental, social and technical studies, the actual work started in early 2023. This is scheduled to take three years.

In 2022, John Cockerill also continued its construction sites for bridges and road interchanges in Côte d'Ivoire. Four of the 15 bridges planned have been completed and two of the four interchanges are under construction. Essential infrastructure to ensure the transport of people and goods in the country.



## Securing access to drinking water in Wallonia

Although groundwater stocks are regarded as being extensive, renewable and easily exploitable in Wallonia (Belgium), quality and quantity-related problems have led the regional authorities to develop an integrated approach to water resources management.

In this context, John Cockerill's teams were involved in the work of connecting areas with significant resources and those with more limited resources in terms of quality and quantity in 2022. More specifically, they provided the electromechanical element of the operations (engineering studies, construction and commissioning of distribution chambers and very large pumping and treatment stations). With these interventions, John Cockerill is helping to secure the supply of drinking water throughout Wallonia, i.e. for a population base of nearly four million inhabitants.



In 2022, John Cockerill renovated major discharge stations in Wallonia (Belgium), such as **Pumping Station No. 6** in Seraing. These huge installations pump water into the watercourses from the surrounding hills and plateaus, which cannot reach the watercourse naturally during periods of flooding. In these times of climatic upheaval, keeping them 100% operational is now more necessary than ever: nearly 100 years after their construction, they once again saved the town of Seraing, located on the banks of the Meuse, from disaster during the floods of July 2021.



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# 3

## Sustainable path

# ESG strategy: the path is set

**True to its DNA, John Cockerill has regularly integrated social and environmental concerns into its decisions and activities since the Group was privatized in 2002. This natural dynamic driven by our mission is gradually picking up speed with the societal pressure to address ESG issues. John Cockerill is seeking now more than ever to enhance its impact on all of its stakeholders.**

In 2022, John Cockerill defined the principles of its ESG governance, drafted its roadmap and refined its commitments.

This approach is based on an initial risk self-assessment exercise carried out with the help of an external partner. This exercise led to an inventory of our approach and made it possible to measure the gap vis-à-vis the requirements of the European directive (CSRD) as well as those of financial investors (Euronext).

On this basis, a taskforce bringing together a large sample of our internal stakeholders produced a dual materiality matrix and prioritized the themes to be addressed and the indicators to be put in place.

This analysis was completed by consulting with financial partners. John Cockerill now has a strategic roadmap for 2027, approved in December 2022, by the Board of Directors and translated into an operational plan by the Management Board. This roadmap reinforces and refines John Cockerill's ESG commitments (see table), it provides, in particular, for the establishment of an ESG committee at Board of Director level in 2023, and the publication of a first extra-financial report in 2025, primarily focused on the green hydrogen activity.

At the operational level, the deployment of the ESG initiative is one of the 10 cross-functional projects of the John Cockerill 2025 plan. The Business ESG Officers network has been set up and is responsible for developing the approach in a specific manner within each of the Businesses. Coordination is ensured by the central team, which sets the pace and organizes the deployment of the priorities set by the Management Board.



# Our commitments

## #1 To speed up the transition to a low-carbon economy for our customers and for ourselves

- Innovation roadmap
- Eco-design & Life cycle analysis
- Eco-work & Carbon footprint
- Supply chain
- Technology portfolio



## #2 To offer each employee a diversified and fulfilling experience, in line with their expectations

- To ensure the health and safety of all employees
- To improve "Employee Experience" and make John Cockerill a great place to work: career development, attractiveness, psychosocial risks
- To promote diversity and develop an inclusive culture



## #3 To ensure the transparency and efficiency of governance, by integrating the new ESG standards

- ESG strategy and roadmap
- Extra-financial reporting
- To strengthen ethics and compliance



## #4 To be a corporate citizen, taking action for society

- To contribute to improving the living conditions of the communities concerned
- To promote our ESG commitment and make it visible
- Internally, to raise staff awareness and encourage commitment
- Externally, to set an example and rally third parties



## Commitment #1

# To speed up the transition to a low-carbon economy for our customers and for ourselves

John Cockerill's main contribution to society undeniably lies in the deployment of its technological solutions to save energy, to improve the energy efficiency of existing installations, to massively electrify industrial processes and, at the same time, to develop carbon-free electricity production capacities (sun, water, wind, atom, etc.). Finally, where electrification is not possible, John Cockerill offers alternative energy vectors such as the use of biomass, the capture of CO<sub>2</sub> or the production of hydrogen and its derivatives.



It is in the establishment of a **global green hydrogen production sector** that John Cockerill contributed most of all in 2022: in addition to the 20% share of the world market (totaling a capacity of 206MW on a world market estimated at 700MW installed in 2022), our teams launched the construction of a first gigafactory in France and signed agreements to build others in India and Morocco. A pioneer in this market, John Cockerill has developed world-renowned expertise in pressurized alkaline electrolyzers. Its technological innovation road map is ambitious, just like this market that is so essential for supporting the decarbonization of CO<sub>2</sub>-emitting industries. According to forecasts, the demand for green hydrogen could multiply seven fold by 2030.

We should also mention John Cockerill's range of services for the installation of **mini-grids for the production and management of renewable energy** as well as the solutions for **protecting natural resources, treating air, water and waste**, and implementing circular economy solutions with a view to recovering rare materials.

Some of John Cockerill's achievements in 2022 in connection with this commitment are detailed in the "Operations 2022" section of this purpose report. Their contribution to the environmental transition will have a positive impact on our customers' carbon footprint by decarbonizing their processes and infrastructures.

This development of a portfolio of sustainable solutions would not be possible without the contribution of a **force for innovation** mainly focused on decarbonization, the circular economy and digitization. This innovation dynamic takes different forms: from the partnership leading to breakthrough innovations such as the net zero carbon steel manufacturing process (Siderwin) developed with ArcelorMittal to the incubation of start-ups via Industria, our investment fund in industry 4.0, energy and new materials. Created in June 2020, Industria has studied 260 dossiers in two years, and invested in seven start-ups. In addition, nine innovations developed by John Cockerill teams were the subject of a priority patent filing in 2022.

This innovation dynamic is the subject of a cross-functional project under the John Cockerill 2025 Plan to further improve its efficiency, from technical monitoring to the financing of projects, including their alignment with the European taxonomy, and the search for technology partnerships.

To improve the environmental performance of our solutions, a **training program** was developed in 2022, in collaboration with academic experts. It covers eco-design, innovation and responsible purchasing, the circular economy, measuring the carbon footprint and calculating the life cycle of our products and projects. After the initial test sessions, these programs will be deployed within the Group from 2024 to support the reduction of the environmental footprint of our solutions throughout the value chain that they are part of.

In addition, the **analysis of the life cycle** of our products and projects is gradually being implemented in the businesses, according to a plan led by the Development Department. This analysis not only makes it possible to demonstrate the environmental performance of our solutions but also enables us to identify new areas for improvement from the design stage and throughout the value chain. After several pilot experiments in 2022, which were used to develop the methodology, around 10 generic solutions will be analyzed in 2023.

The same goes for **measuring the carbon footprint** of our sites, which should cover all of our European activities by the end of 2023 (scopes 1 and 2). The Group's head office, which served as a test for the development of the method, has launched measures to reduce the site's CO<sub>2</sub> emissions. These measures relate to the insulation of buildings, the choice and methods of supplying IT equipment, staff mobility and the responsible supply of power. The next measurement will reveal the effectiveness of these measures, while new levers are identified. In 2023, significant action is planned to reduce the carbon footprint of the car fleet.

This year of implementing the fundamentals should enable John Cockerill to measure its environmental performance and achieve the objectives set in terms of compliance with ESG standards by 2025, with the publication of a first extra-financial report.

## Commitment #2

# To offer each employee a diversified and fulfilling experience, in line with their expectations

John Cockerill's priority towards its teams is first and foremost to guarantee **the health and safety** of all employees. In terms of safety, the frequency and severity rates deteriorated in 2022, reaching 3.37 and 0.85, respectively. Even though this is a general trend linked to the rapid recovery of activity after Covid, this situation has been the subject of a vigorous reaction from management: François Michel, CEO of the Group, has been personally involved in giving new impetus to health and safety awareness actions. He mobilized his entire Management Board to take the necessary corrective actions and meet with their teams to remind everyone of the imperative need to ensure everyone's physical and mental integrity.

**The fulfillment** of our employees also remains an important concern, which is particularly reflected in the development processes (training, mobility, performance and development interviews, etc.). In 2022, the quest for a **work-life balance** led to further improvement in the options for teleworking and a disconnection policy was formulated in Belgium. Workplace well-being surveys were carried out in some entities. Specifically, in the Hydrogen Business, which is particularly busy, a questionnaire on motivation, organization and well-being is issued to all employees on a quarterly basis. The results make it possible to manage the improvement roadmap and see the effects of the actions already undertaken.

Among the initiatives taken in 2022 to improve **the experience of the Group's employees**, we should also mention the implementation of a new intranet. Designed as a veritable virtual gateway, My John Cockerill – that is its name - offers everyone personalized access to the information needed to understand the Group, interact effectively with colleagues and keep abreast of what is happening in the Group. A new virtual onboarding process rounds off this system, which supports our talented staff's search for meaning and feeling of belonging, while allowing them to quickly enhance their efficiency.

In terms of attractiveness, the **diversity** of the Group is an indisputable asset: the diversity of businesses, countries and cultures continues to develop at the pace of the Group's evolution. At the end of 2022, there were no less than 73 nationalities among our workforce. The age pyramid and the distribution of statuses and professions are well balanced. Gender diversity is progressing with 16% of staff now women and this is expected to increase further in the years to come. Finally, the attrition rate increased to 9% in 2022, which is in line with the post-Covid trend.

In the medium term, the internationalization of John Cockerill will require a rebalancing of the location of our resources, in order to bring them closer to our markets. In 2022, with this in mind, a seminar bringing directors, top managers and experts together around the same table made it possible to lay the foundations for strengthening our policies with regard to **inclusion and equal opportunity**. This initiative will be developed in the coming months, as "hubs" are set up in the various regions of the world and in India and the United States, in particular.

**John Cockerill Junior** is an inclusive program that promotes the integration of around twenty young people who, given their personal background, would have greater difficulty accessing the job market. Aged 16 and over, these young people study in different fields such as engineering, health, safety, finance, etc. In the Brazilian entity, this program has already revealed several talents such as Marie, Aristorte and Lucas, who now occupy management positions in the company. Because they represent great potential for the future, these young people are supervised by experienced professionals, attend various training courses and are actively involved in projects relevant to the Group.





## Commitment #3

# To ensure the transparency and efficiency of governance, by incorporating the new ESG standards

The **strengthening of governance** was undoubtedly one of the main projects for the 2022 financial year. At the instigation of the Board of Directors, the Group has reorganized its operational activities into **five "Businesses" that are both dense and agile**, with dedicated managerial and support skills. These Businesses will be strengthened in terms of their strategic guidance by the gradual establishment of dedicated boards of directors.

As a consequence, the Group's cross-functional governance has been strengthened by the systematization of formalized operational reviews, the consolidation of the strategic and budgetary processes, the implementation of a periodic review of the business portfolio and the strengthening of the power of influence of essential functions. The influence of these essential functions is enhanced thanks to the creation of continental hubs, starting with India and the United States. The mission of these hubs is to support John Cockerill in its internationalization and strengthen the proximity and competitiveness of what is offered globally vis-à-vis each market. This internationalization also involves setting up a **network of high-level representatives in the main economic regions**.

**This revisited governance**, the implementation of which officially started on January 1, 2023, relies on a management team which, thanks to the arrival of new managers, is strengthened by a **diversity of experiences, cultures and generations**.

John Cockerill makes compliance an absolute requirement and intends to build and maintain relationships with all of its stakeholders, based on transparency, trust and responsibility. Given the size of John Cockerill and the growing complexity of the international legal context in which the Group operates, we wanted to **strengthen our systems, particularly in terms of export control and anti-corruption standards**.

Also, after defining a risk map and analyzing the measures required by the French Sapin II law, we launched a **"Compliance 2022-2023"** plan to strengthen our tools and methods with the support of an expert in this field: the Ikarian consulting firm. An initial analysis phase was carried out during the second half of 2022, with the entire Group's management contributing to this. This will lead to a generalization and professionalization of the tools and methods already in place. The entire reformed system is expected by the end of the first half of 2023. It will be the subject of broad deployment accompanied by training which will get under way soon.

With their arrival in 2022, François Michel, Chief Executive Officer, Michel Vanhaesbroucke, Chief Strategy & Business Development Officer, Nicolas de Coignac, President Americas, Thomas Bohner, CEO of Business Energy and Marie-Pierre Defoin, Chief Human Resources Officer, have enriched the management team by way of a diversity of experience, cultures and generations.



**François Michel**  
Chief Executive Officer



**Michel Vanhaesbroucke**  
Chief Strategy & Business Development Officer



**Nicolas de Coignac**  
President Americas



**Thomas Bohner**  
CEO of Business Energy



**Marie-Pierre Defoin**  
Chief Human Resources Officer

## Commitment #4

# To be a corporate citizen, taking action for society

The mission of meeting the needs of its time goes far beyond the company's commercial dimension. The John Cockerill Foundation expands our business impact by providing technological, human and financial resource support to initiatives and projects focused on a societal mission. **The goal: to improve the living conditions of communities** around the world and therefore contribute to building a better world.

A veritable vehicle for the Group's sponsorship policy, **the Foundation** reviewed its strategic positioning in 2021, and stepped up its action at the Group's international level. Thanks to a revised project management process, as well as the implementation of a participatory governance model, it **coordinated some 24 projects in 12 countries in 2022. Our Indian subsidiary, John Cockerill India, is not to be outdone: focusing on education and access to healthcare for all, its actions were felt by 8,300 beneficiaries** in 2022.

The John Cockerill Foundation pays particular attention to human well-being, including the well-being of Group employees. It gives them the opportunity to get involved in its outreach, in the deployment of its actions and in its governance. It now has an internal network of ambassadors spread throughout the world. This way of allowing everyone to grow professionally as well as personally, and contribute to societal challenges in a twofold way is highly appreciated by the Group's talented staff and constitutes a real asset.

**Raising internal awareness of the challenges** of our time is another project that made considerable progress in 2022. During the first quarter, dedicated work sessions were organized with the Board of Directors, the Management Board and the top 100 Group managers. "ESG lunchtime" conferences are organized on a regular basis, with the records of these available on the Group's intranet, along with other awareness-raising tools. In addition, everyone has the opportunity to participate in or organize for their team a climate or circular economy 'fresco', which encourages shared understanding of **climate issues** and the shifts necessary for the preservation of life. Call-for-action campaigns complete the awareness-raising system, whether in terms of alternative mobility to the car, sustainable power supply or energy savings.

Finally, John Cockerill is committed to **sharing its commitments** with its stakeholders and, in particular, contributing to the education of civil society with regard to the technological solutions that make it possible to address the challenges of global warming. In 2022, our representatives stepped up their interventions, both vis-à-vis the political world as well as with schools and or citizens' initiatives that requested them.

Our suppliers are also invited to develop their ESG performance levels. A systematic approach in this regard is planned in 2023.

## Participation in the sustainability of decent employment for the communities of the "golden triangle"

In 2022, the John Cockerill Foundation continued its collaboration with the Mae Fah Luang Foundation in the Doi Tung project in Thailand. The aim of this project is to transform the production tools of a community previously dependent on the cultivation and trafficking of opium by developing a sustainable macadamia nut cultivation sector. The John Cockerill Foundation is involved in the energy aspect of the project, providing the financing and technical support necessary to install and maintain 317 m<sup>2</sup> of photovoltaic panels.

The project also helps this community to regain pride and dignity, thanks to an honest and stable income.





In parallel with the improvement initiatives coordinated by it, the ESG team implemented various **awareness-raising measures** in 2022 to alert staff to a number of global environmental issues: launch of the series of "ESG lunchtime" conferences, incentivizing line management to integrate climate issues into team-building activities or, as shown here, "Climate Fresco" activities.

## Towards greener computing

To reduce its overall environmental impact, John Cockerill activated the IT lever in 2022. Several cross-cutting measures have been taken: increasing the useful life of some 3,700 Group computers from three to four years and configuring their screensavers, progressive use of equipment labeled "EPEAT Gold", deployment of 64 printers of the "follow me" type configured for default printing in black and white and double-sided...

Result: a carbon impact of the computer equipment divided by 13.



Alongside the John Cockerill Foundation, our representatives presented the Group's technologies at the **Startech's Days**: this participation is aimed at promoting technical and technological professions among the very young.



## Financial indicators

In thousands of euros	2019	2020	2021	2022
Equity	103,232	102,997	105,780	<b>72,614</b>
Net cash position	67,110	182,216	219,686	<b>230,398</b>
Order entries	1,154,278	918,255	951,338	<b>1,293,351</b>
Turnover	1,259,699	1,014,254	947,461	<b>1,045,897</b>
EBITDA	81,413	54,141	54,113	<b>46,671</b>

Following the 2020 and 2021 financial years impacted by the Covid-19 pandemic, John Cockerill's activity in 2022 showed a return to pre-Covid-19 trends. In particular, order entries increased significantly, rising from €951 million in 2021 to 1.293 billion in 2022 (+36%). This growth can mainly be explained by major orders being recorded for the supply of steel treatment lines and boilers for combined cycle power plants, by the continued growth of John Cockerill Services and by the integration of cooling technologies during the course of the year.

Turnover for 2022, up 10%, back above one billion euros (€1.046 billion). This increase is particularly remarkable because it took place in the context of a decline in the turnover of John Cockerill Defense, whose AB Supply project is coming to an end, and while the volume of hydrogen-related business activity, although progressing, was still relatively marginal.

However, this increase in volume needs to be qualified by the downturn in the overall result. EBITDA was €46.7 million in 2022, down 15% compared to 2021. This too low profitability can be explained by a twofold trend: the rapid increase in expenditure in the development of the Hydrogen Business which is not yet generating a profit, as well as execution problems in a few projects among the Group's traditional activities, which also affected profitability. The center of the management team's attention has been focused on this negative development, as a result of which it launched a performance restoration plan in the early days of 2023.

In terms of cash, the year 2022 ended much like 2021 with very largely positive cash flow amounting to €230 million.

The data presented is that relating to John Cockerill SA and its subsidiaries. Given the percentage holding (direct or indirect) in each of the subsidiaries included in the scope of consolidation, the majority of companies have been fully consolidated. These details are published in accordance with International Financial Reporting Standards (IFRS) accounting. The application of these standards guarantees consistent consolidation of the accounts covering the entire business spectrum of the John Cockerill Group. It also makes the performance data clearer and easier to understand at international level. All of the financial data is available in the John Cockerill Financial Report.

# Non-financial indicators

Upgrading to ESG standards is a gradual process. Given the geographical and technological diversity of the Group, many indicators are still being formalized, as is the methodology for collecting and compiling the relevant data. The first non-financial indicators available are listed in the tables below. At this stage, not all of them cover the entire scope of the Group. In this case, their scope is specified in each heading.

## Environment

	2019	2020	2021	2022
Carbon footprint (in tonnes of CO <sub>2</sub> equivalent) <sup>[1]</sup>	17,000	11,000	In progress	In progress
Industrial waste (in tonnes) <sup>[1]</sup>	358.19	178.28	290.66	In progress
Total energy purchases (in MWh equivalent for gas and electricity) <sup>[1]</sup>	7,189.96	6,196.93	6,564.86	5,181.03
Production of photovoltaic panels (in MWh) <sup>[1]</sup>	1,460	1,500	1,629	1,977
Distance traveled by bicycle on the home/workplace journey (in km) <sup>[1]</sup>	Not measured	Not measured	14,895	40,053

## Social

	2019	2020	2021	2022
Workforce under payroll as per December 31 (in number of people)	5,741	5,176	5,480	6,003
Rate of participation in the internal opinion survey	82%	N/A	78%	N/A
Rate of sustainable engagement of employees	79%	N/A	79%	N/A
Frequency rate of work accidents with time lost (FR) *	2.28	2.03	2.75	3.37
Severity rate of work accidents with time lost (SR) *	0.09	0.072	0.064	0.085
Attrition rate *	4.90%	3.90%	5.80%	9.08%
Average annual training days recorded per employee <sup>[2]</sup>	Not measured	Not measured	3.75	3.92
Proportion of men to women (in %) <sup>[3]</sup>	87 / 13	87 / 13	87 / 13	84/16
Nationalities (in numbers)	48	50	60	73
Average age (in years) <sup>[4]</sup>	42	43	43	43

\* FR : Number of accidents X 1 000 000 / hours worked

SR : Number of days lost X 1 000 / hours worked

Attrition rate : Number of people leaving on a voluntary basis / Average workforce during the period

	2019	2020	2021	2022
<b>Number of solidarity actions supported</b>	<b>14</b>	<b>21</b>	<b>23</b>	<b>27</b>
by the John Cockerill Foundation	13	20	22	24
by John Cockerill India Limited (formerly CMI FPE Limited)**	1	1	1	3
<b>Number of people benefiting from an action</b>	<b>5,583</b>	<b>32,928</b>	<b>6,829</b>	<b>13,628</b>
by the John Cockerill Foundation	348	24,832*	4,488	5,328
by John Cockerill India Limited (formerly CMI FPE Limited)**	5,235	8,096	2,341	8,300
<b>Number of Group employees involved in the actions</b>	<b>285</b>	<b>90</b>	<b>608</b>	<b>222</b>
by the John Cockerill Foundation	284	89	607	221
by John Cockerill India Limited (formerly CMI FPE Limited)**	1	1	1	1

\* Number strongly impacted by donations of sanitary materials (gel, masks, etc.) to combat Covid-19

\*\* The data covers the period from April 1 of the previous year to March 31 of the year specified

## Governance

	2019	2020	2021	2022
Attendance rate of the Board of Directors	95.40%	95%	95.40%	97.40%
Attendance rate of the Audit Committee	94%	100%	94%	100%
Attendance rate of the Ethics Committee	88%	80%	86%	95%

[1] Seraing (Belgium) [2] Belgium [3] Except Brazil, India, China and the United States [4] Except Brazil, India, China and New Caledonia

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*The Communication Department thanks all those who contributed, to a greater or lesser extent, to the making of this purpose report.*

*Ce rapport de mission est également disponible en français sur demande à [communication@johncockerill.com](mailto:communication@johncockerill.com)*

*The Group also publishes a financial report containing all the financial data in IFRS format. This financial report is available in French and English on request at [finance@johncockerill.com](mailto:finance@johncockerill.com)*

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Driven since 1817 by the entrepreneurial spirit and thirst for innovation of its founder, the John Cockerill Group develops large-scale technological solutions to meet the needs of its time: facilitating access to fossil free energies, enabling sustainable industrial production, preserving natural resources, contributing to greener mobility, enhancing security and installing critical infrastructures.

Its offer to companies, States and communities consists of services and associated equipment for the sectors of energy, defence, industry, the environment, transports, and infrastructures. With over 6,500 employees, John Cockerill achieved a turnover of € 1.046 billion in 2022 in 24 countries, on 5 continents.

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