



# VALUES AND ETHICS CHARTER

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## 01. INTRODUCTION

Etienne Lacroix Group has laid out a frame of reference for its corporate values in a Value and Ethics Charter, thereby ensuring that its rules will be strictly followed by the Etienne Lacroix Group as a whole, by its management and employees.

The purpose of this charter is to set out the main principles and values to which the Etienne Lacroix Group is committed, and to define the behaviour expected within the Etienne Lacroix Group.

All employees are asked to familiarise themselves with the Value and Ethics Charter, to understand its content and to comply with it. Should questions arise concerning proper conduct or a failure to follow these established rules, it is the responsibility of each employee to consult his/her superior and/or to inform the Ethics and Compliance Officer.

*This document is made public to our external stakeholders: customers, suppliers, partners, subcontractors, shareholders, public authorities, governments and local communities. It commits the Etienne Lacroix Group to each of them and sets out our ethical expectations of them.*

## 02. OUR ACTIVITIES, OUR OBJECTIVE

The historical business of Etienne Lacroix Group has always been the design and manufacture of fireworks for entertainment. The symbol of this activity is the French national day on 14th of July with its traditional fireworks displays all over the country.

While developing this activity, Etienne Lacroix Group diversified into the design and manufacture of technical pyrotechnic devices for the national defence sector. These two areas of activity form a coherent unity and underpin our profession as a pyrotechnic specialist.

Protection, Etienne Lacroix Group's core business, involves technical requirements that raise Etienne Lacroix Group's pyrotechnic skills to a high performance level. Major investment in research and development underpins our strategy of differentiation based on innovation and technological leadership.

- **Our ambition is to be the reference partner in our markets by offering a tailor-made offer, and by inventing and providing products and solutions that are always more advanced and efficient to ultimately contribute to making the world better and safer.**
- **Etienne Lacroix Group's objective is to perpetuate family ownership and its independence while becoming a leading global pyrotechnic systems integrator.**

## 03. VALUES AND OPERATING PRINCIPLES

Etienne Lacroix Group's values:



### Independence

With a 100% family shareholding, Etienne Lacroix Group aims to consolidate its independence by placing the safety of people and property and the profitability of its activities at the heart of its concerns.



### Ethics

Etienne Lacroix Group ensures that its activities are conducted in accordance with high standards of integrity, humanism, respect for human rights and the fight against corruption.



### Commitment

The commitment, dedication and reliability of our employees are key to the Etienne Lacroix Group's long-term success.

Our level of excellence and expertise is the result of individual and collective efforts that perfectly define our fields of intervention in our core business of integrating pyrotechnics.

## OUR VALUES: INDEPENDENCE



### Safety of people and property

- ▶ Our sensitive activity in pyrotechnics makes the health and safety of our employees our priority, for their wellbeing is also a guaranty of the safety and quality of our products.
- ▶ Protecting the lives of our staff, ensuring the safety of our customers and the public, and protecting our facilities and the environment are of primary importance and make up the conditions under which our Etienne Lacroix Group may pursue its activities.
- ▶ Etienne Lacroix Group Auditing Committee analyses and monitors the risks to which it is exposed and takes the necessary preventive measures.



### Financial security

- ▶ We permanently monitor the quality of our business management, our investment policy and the execution of our operations.
- ▶ Our customers, suppliers, financial institutions, service providers are considered to be partners of Etienne Lacroix Group. Our operations must therefore be carried out in accordance with our contractual commitments.



### Profitability

- ▶ Capital investments must be made effectively and generate forecasted profits. Tangible and intangible investments must not exceed our self-financing capacity. Our debt level must be contained to ensure we remain independent with respect to financial institutions.
- ▶ The profitability of the business must be in line with financial targets and enable the working capital requirements of each activity to be covered and research and development to be financed.

## OUR VALUES: ETHICS



### Integrity

Integrity is a fundamental value of Etienne Lacroix Group and is paramount in the way we do business.

Integrity is conveyed by every employee and guides our professional and commercial practices. It ensures the transparency of our communications and forms the basis of our relationship with our stakeholders:

- ▶ We are doing what we said we would do.
- ▶ We make decisions based on what is right to do.
- ▶ We operate in a transparent, honest and straight forward manner.
- ▶ We assume our role as a responsible company: we continually evaluate our impact on the ecological, social, industrial and cultural environments.



### Humanism

People are at the heart of Etienne Lacroix Group's concerns, and we have opted for a values-based management approach.

- ▶ The profits distribution policy illustrates Etienne Lacroix Group's ethical stance and its desire to evolve in a sustainable way. This is the three-thirds policy for distributing profits: one-third distributed to employees, one-third devoted to self-financing and one-third distributable to shareholders.



## Respect for human rights

Respect for human rights, as expressed in the UN Declaration of Human Rights, in accordance with the guiding principles formulated by the OECD and the Conventions of the International Labour Organisation (ILO), is a major issue for the Etienne Lacroix Group.

- We are vigilant in our efforts to prevent any action or behaviour within Etienne Lacroix Group that an incidence on respect for human rights through the rigorous application of regulations and a responsible business policy.



## Commitment to corruption prevention

Preventing corruption is an essential commitment to ensuring Etienne Lacroix Group's sustainability and maintaining our reputation among our stakeholders.

- Etienne Lacroix Group absolutely refrains from any action that could be construed as corruption and/or influence peddling.



## Fair practices

- We conduct our business in strict compliance with national and international regulations aimed at combating anti-competitive practices, as well as applicable export/re-export rules and other restrictive measures and economic sanctions in force.

## OUR VALUES: COMMITMENT

We are committed to earning the trust of our customers by striving for excellence in everything we do. Our priorities are geared towards their satisfaction while guaranteeing their safety and that of our employees.



### Innovation

Innovation characterises Etienne Lacroix Group's strategic positioning. It is based on technological leadership and the differentiation of our products and services. We have a duty to be bold in everything we do: seeking to come up with the best ideas and solutions at every moment.



### Process control

Our internal processes must remain under control and internal procedures must be executed by cooperative, efficient teams to ensure the security of our operations. Commitments made (timetable, financial, technical) must be kept. Our operations are constantly monitored. Any discrepancies observed must be the subject of concerted corrective action.



### International

In a global market, Etienne Lacroix Group must see itself as a player in its own right and consolidate its strategic position by developing its activities while strengthening its long-standing relationship with its French customers. Our success in the international markets is backed by skilled personnel and our efficiently operating distribution network and subsidiaries.



### Sustainable development

We implement actions aimed at minimizing our impact on the environment and adapting our infrastructure practices to climate change.

## 04. OUR CONDUCT



The Etienne Lacroix Group expects its partners, suppliers and subcontractors to share its commitment in this area by establishing a similar ethical culture and level of requirements within their organisations.

- ✓ **Compliance with laws and regulations**
- ✓ **Respect for the customer**
- ✓ **Accurate accounts, information and indicators**
- ✓ **Respect for fundamental rights**
- ✓ **Compliance with Etienne Lacroix Group's corruption prevention program**
- ✓ **Guidelines for donations and sponsorship**
- ✓ **Integrity**
- ✓ **Compliance with health and safety rules**
- ✓ **Appropriate professional practices**
- ✓ **Non-interference with political and religious activities**
- ✓ **Asset protection**
- ✓ **Protecting confidential information**

## ✓ Compliance with laws and regulations

- ▶ Every employee must comply with the laws and regulations of the country in which he/she works.
- ▶ Each employee shall ensure that they are familiar with the job requirements

## ✓ Respect for the customer

- ▶ Customer satisfaction is a priority.
- ▶ The Etienne Lacroix Group ensures that the commitments made in bids are realistic. Compliance with internal control procedures (quotations and contracts) should make this possible. Once the commitments become contractual, they must be upheld.
- ▶ Each employee contributes to ensuring that Etienne Lacroix Group's customers are provided with quality products and services that guarantee a high level of safety, reliability and environmental performance. He/She must rigorously comply with standards put in place to prevent, detect and correct any safety defect.
- ▶ All employees must ensure that the commitments made to customers are fulfilled (technical, calendar, financial, quality and service commitments, etc.).

## ✓ Accurate accounts, information and indicators

- ▶ All employees responsible for recording accounting or financial data, calculating and transmitting indicators or managing and communicating any other kind of information are under the obligation to report reliable and accurate data and information.
- ▶ In particular, the income and expenses recorded in each activity must strictly reflect the activity and be reported in accordance with the accounting principles in force and the standards laid down by the Etienne Lacroix Group.

## ✓ Respect for fundamental rights

- ▶ Each employee contributes to the Etienne Lacroix Group's commitment to respect fundamental human rights, such as the right to human dignity, the right to privacy and the protection of personal health and safety.
- ▶ Etienne Lacroix Group abstains from employing child labor or any form of forced labor and allows the freedom of association and representation.
- ▶ Each employee must commit to non-discriminatory practices with respect to sex and age, racial, social and cultural origins, nationality, trade union membership, disabilities, political opinions and religion.

## ✓ Compliance with the Etienne Lacroix Group's corruption prevention programme

- ▶ Etienne Lacroix Group provides each employee with the means available to recognize potential corrupt behaviour as well as prohibited behaviour in carrying out his/her job responsibilities so as to effectively prevent and combat corruption and influence peddling risks.
- ▶ Each employee shall refrain from soliciting or granting gifts or benefits that could place him/her or the Etienne Lacroix Group in a risky situation or that would not comply with internal procedures and applicable laws and regulations.
- ▶ Under no circumstances can the conviction of acting in the Etienne Lacroix Group interests justify, even in part, behaviour that contradicts the provisions of the Etienne Lacroix Group's anti-corruption programme. Failure to comply with these procedures is punishable by disciplinary measures. More generally, all breaches of laws and regulations will be brought to the attention of the authorities.

## ✓ Guidelines for donations and sponsorship

- ▶ Etienne Lacroix Group may support certain initiatives in sectors that reflect Etienne Lacroix Group's values of humanism and ethics.
- ▶ The conditions for selecting applications and awarding financial support are strictly regulated.

## ✓ Integrity

- ▶ Under no circumstances may an employee's personal interests be taken into account in the choice of a supplier, subcontractor, partner or in any other decision concerning him or her.
- ▶ All employees must refrain from acquiring any interest in a competitor, supplier or customer, unless purchased through a securities portfolio management scheme and in compliance with regulations prohibiting the use of privileged information.
- ▶ Conflicts of interest must be declared. All managers must be particularly vigilant when a situation of potential conflict of interest between a stakeholder and an employee is brought to their attention.
- ▶ All employees must ensure that they do not use their status or authority to obtain privileges or unwarranted advantages.



## ✔ Compliance with health and safety rules

- ▶ Each employee knows, respects and enforces the applicable safety rules. They pay particular attention to the working conditions and well-being of any individual present at the Etienne Lacroix Group's facilities.
- ▶ Behaviour is guided by three key factors as preventive measures:
  - Exemplarity, each individual takes it upon himself/herself to comply with safety rules and to rigorously apply these rules;
  - Vigilance, by being constantly watchful and uncompromising in identifying risks and then controlling them;
  - Responsiveness, by requiring that any risk situation be handled without delay.

## ✔ Appropriate professional practices

- ▶ Each employee must respect the principles of integrity and loyalty in their relations with Etienne Lacroix Group's stakeholders.
- ▶ Each employee must refrain from any anti-competitive practices.
- ▶ Prior to entering a contractual agreement with a partner, employees must carry out audits and a methodical and well-documented selection process in accordance with the processes in force within Etienne Lacroix Group.

## ✔ Asset protection

- ▶ Each employee is responsible for the proper use of Etienne Lacroix Group's assets (tangible and intangible) and resources, which must remain exclusively for lawful professional use. They must use these assets to carry out their job in accordance with the rules and procedures in force within their entity, and take all measures to prevent damage, theft or unauthorised use by third parties.
- ▶ Each employee undertakes to protect the Etienne Lacroix Group from fraud or misappropriation of assets, by carrying the necessary controls in his/her area of responsibility.

## ✔ Protecting confidential information

- ▶ In accordance with the rules and procedures in force within their entity, each employee must take the necessary measures to protect the confidentiality of the information in his/her possession.
- ▶ Said information may concern new projects, strategic, industrial, financial or social data, etc., or generally any information which, if revealed publicly, could be contrary to the interests of Etienne Lacroix Group.
- ▶ Such information may not be disclosed without the agreement of the Etienne Lacroix Group and the persons concerned.

## ✔ Non-interference with political and religious activities

- ▶ Etienne Lacroix Group is politically and religiously neutral. It refrains from making any financial contribution to candidates for elected office, elected representatives or political parties.
- ▶ Any employee taking part in political activities must do so only on their own personal time. In the case where an employee should mention that Etienne Lacroix Group is his/her employer, he/she must clearly specify that he/she does not represent it in any way. They must not use the Etienne Lacroix Group's image to support their commitment.
- ▶ Any religious practices that employees may have are carried out exclusively outside the workplace and working hours, unless otherwise required by law.

## 05. REPORT A COMPLIANCE ALERT



If any employee is in any doubt as to what action to take, he/she should consult his/her line manager or the Etienne Lacroix Group's Ethics and Compliance Officer without delay.

Etienne Lacroix Group has set up a whistleblowing system designed to receive reports of any potential or proven violation of regulations, the Values and Ethics Charter, the anti-corruption programme, internal procedures and, more generally, any professional or ethical standards.

- ▶ **This system enables these reports to be processed in complete confidentiality and guarantees the protection of its users. It is open to all stakeholders. A contact form is available on the Etienne Lacroix Group Values page of the website.**

Etienne Lacroix Group undertakes to support and protect any person reporting or escalating information in good faith through this system.

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