

Energy to innovate

For 130 years, **Mersen** has been bringing progress to life.

In the air

A bright future for rail

In the air

**ENVIRONMENT: MERSEN
SCORES HIGHLY**

Back to the future

**A GROUP WITH A GENUINELY
HUMAN CULTURE**

Inside Mersen

ZOOM IN ON BUSINESS AND CSR



In the air

Back to the future

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ENERGY TO INNOVATE IS A MAGAZINE PUBLISHED BY MERSEN – Tour Trinity, 1 bis place de La Défense, 92400 Courbevoie (France) – RCS Nanterre B572 060 333 – Tel.: +33 (0)1 46 91 54 49 – www.mersen.com – Managing Editor: Luc Themelin – Chief Editor: Véronique Boca – Editorial Committee: Thomas Baumgartner, Laurence Lamy, Luc Themelin – Design and production: Avant d’aller dormir sous les étoiles – 119 rue de la Pompe, 75116 Paris – Writing: Le Prompteur – Photos: Florence Brochoire, Coll. Mersen, iStock, Fotolia – Graphic designer: Studio paipai – Publication: April 2025 – OTT Imprimeur, 67310 Wasselonne (France)

“A new dimension focused on innovation and sustainable growth”

LUC THEMELIN, CEO



In the space of just a few years, following a deep transformation, Mersen has taken on a new dimension. Having crossed the €1 billion sales milestone and with a more comprehensive, dynamic, profitable and resilient profile, our Group holds a stronger leading position in sustainable markets and cutting-edge technologies than ever before. This new change did not come about by chance. It is the result of a long reorganization process and a demanding strategy, thanks to which we developed the processes and teams needed to fulfill our ambitions. →

“Our new dimension is the result of a long process of reorganization and a demanding strategy carried out as a team.”

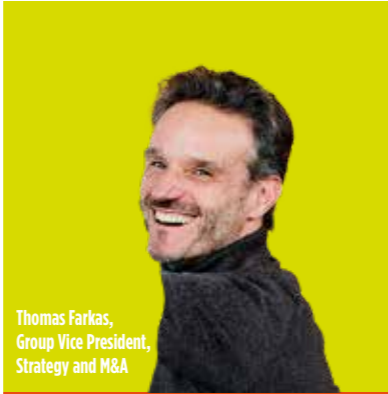
For Mersen, the objective is not racing to become an industry giant. Our goal is, above all else, having solid foundations to help our customers rise to the technical challenges of today and tomorrow. As you will discover as you read your way through this new issue of *Energy to Innovate* magazine, such challenges have been waiting around every corner. Whether it's supporting the latest developments in the rail sector, or supporting renewable energy democracy (solar, wind, hydroelectric and energy storage),

“We are right at the heart of the changes sweeping society – in Europe, Asia and North America.”

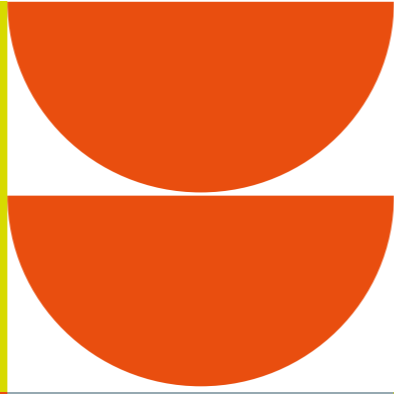
we are right at the heart of the changes sweeping society – in Europe, Asia and North America.

Stability through solidity

Our strengthened solidity doubles as an asset in the currently turbulent economic climate, which may have repercussions in certain



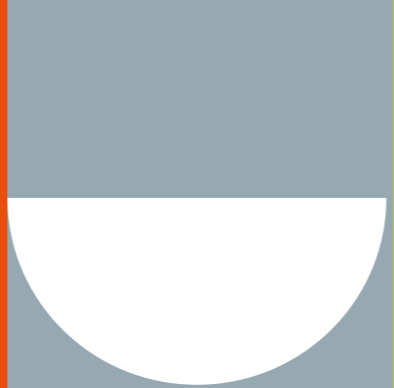
Thomas Farkas,
Group Vice President,
Strategy and M&A



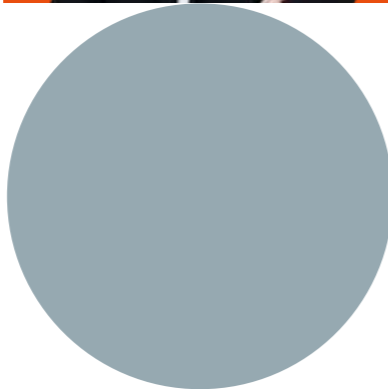
Gilles Boisseau,
Group Vice President
Electrical Power



Delphine Jacquemont,
Group Legal Vice President



Éric Guajjoty,
Group Vice President
Advanced Materials



Jean-Philippe Fournier,
Group Vice President,
Operational Excellence



Thomas Baumgartner,
CFO



Sylvie Guiganti,
Group Chief
Information Officer



sectors. While we may well have to contend with the temporary slowdown in the electric vehicle and SiC semiconductor markets, which has led us to push back our targets by two years, we remain very confident about medium- and long-term

“Our strengthened solidity doubles as an asset in the currently turbulent economic climate, which may have repercussions in certain sectors.”

trends that will enable Mersen to continue its growth trajectory. Thanks to the diversity of our activities, the markets we serve and our presence on every continent, we have been →

able to bounce back and take advantage of local and sectoral dynamics. At the same time, Mersen has pursued its acquisitions strategy, targeting acquisitions that strengthen our specialties and pave the way for the future.

A reaffirmed CSR commitment

While our day-to-day operations may not always go as planned, we will not lose sight of our long-term strategy, and the deeply human and sustainable approach we take to our business model will always be a key part of who we are. Over the last few months, Mersen has also continued to roll out its CSR roadmap. In this issue, we shine the



Estelle Legrand, Group Vice President, Human Resources

Christophe Bommier, CTO



CSR report in 2024 is significant in this respect, as it clearly demonstrates how CSR is woven through everything we do here at Mersen. By making the impact of each player more visible and encouraging investors to support companies that take concrete action, Europe is leading the way in CSR – and this can only be commended.

Looking to tomorrow with confidence

We continue to look to the future with optimism. We are confident in our ability to keep pace with changes in our sectors, supported by the high level of commitment and expertise of our employees. At a time when the world sometimes seems to be moving in different directions, Mersen continues to adapt and chart its course, confidently and boldly. ■

spotlight on CSR, which has marked our history and continues to guide our commitments today. Just as our activities support the development of new forms of transportation and energy production, we strive to manage and limit the environmental impact of our activities on a daily basis and to improve the working conditions of our employees all around the world. The production of our first



APPOINTMENT

Effective March 27, 2025, Salvador Lamas is appointed Chief Operating Officer, member of the Executive Committee. Salvador Lamas, 52, has 30 years of international experience with major industrial groups. He joined Mersen in July 2021, as Senior VP, Solutions for Power Management, a business unit of the Electrical Power segment. In his new role, his main mission will be to coordinate the Group's operational activities and improve the Group's profitability.

In the air

PROGRESS AND THE MERSEN SPIRIT GO TOGETHER WELL. SINCE ITS ORIGINS IN FRANCE IN 1889, THE GROUP HAS FACILITATED CHANGE IN SOCIETY. WHAT'S NEW TODAY AND FOR TOMORROW? SPOTLIGHT ON RAIL TRANSPORT MARKETS AND MERSEN'S ENVIRONMENTAL COMMITMENT.

A bright future for rail **p.8**
Mersen's key technologies make the difference on rail networks **p.12**
Electrifying the Indian network: the project of the century **p.14**
Environment: Mersen scores highly **p.16**

A bright future for rail

Trains have been part of our lives for over two centuries, and they are now set to become an important ally in helping countries transform and decarbonize their economies.

In this day and age, trains seem to be everywhere we look. From transporting people to shipping goods, from long distance travel to daily intercity commutes, railways have shaped our cities, regions and countries and played an essential role in international trade.

While briefly pushed aside by the rise of individual vehicles and air travel, now, in the face of mounting climate challenges, trains are on track to becoming a fundamental pillar of modern economies – in Europe, Asia and the United States.

“Each market has its own specific cultural factors and its own rail industry growth drivers,” says Ali Juzaladeh, Vice President North America Mersen, Power Transfer Technologies (PTT).

“In Europe, passenger transportation is the most dynamic segment, whereas in the United States, freight drives the market, and in Asia, both freight and passenger transportation contribute to growth. Even if their uses are different, players all across the

industry ultimately have the same needs, whether these concern the adoption of more sustainable solutions that are less dependent on fossil fuels, the improvement of safety and performance (particularly speed) or the move towards greater digitalization.”

A lever for decarbonizing the economy

On paper, rail holds a lot of promise, especially in terms of decarbonization. In France, for example, while transportation accounts →



“Of the one million kilometers of railroads around the world, just 20% are currently electrified.”

for 30% of carbon emissions, rail is behind just 1% of this figure, even though it accounts for 10% of all goods and passengers transported (source: Bpifrance). To achieve meaningful results, however, efforts need to focus not only on the vehicles (locomotives, carriages, etc.) and infrastructure (rails, overhead lines, etc.) themselves, but also on the components that connect the two, such as pantographs. “One of the main trends we are currently seeing is railway electrification, and, to a lesser extent, the development of alternative solutions such as hydrogen-powered trains,” adds Ali Juzaladeh. “We’re also seeing some countries undertake massive investment projects, like India, which is electrifying its entire rail network (editor’s note: see page 12), the United States, which is seeking to boost freight, and China, which has its sights set on very high-speed trains.” “Of the one million kilometers of railroads around the world, just 20% are currently electrified,” says Thierry Laurent, Vice President Asia, PTT. “The other 80% still use diesel-electric transmission, meaning that the trains have a diesel engine driving an electric generator. So, depending on the market and the operator, needs vary considerably.”

An expert in support of industrial transformation

Mersen has been working with a wide range of operators for several decades. In infrastructure, the Group works with multiple national and private rail networks, from SNCF and Renfe to Deutsche Bahn, the London Underground, Hitachi, Kinki Sharyo and CRRC. “At first, we mostly provided power solutions, such as electric motor brushes and brush-holders, but then we gradually developed expertise in

“Power supply means power conversion – and that means Mersen.”

pantograph strips, which are used for collecting current from overhead lines, and in third rail subway equipment,” says Thierry Laurent. In just a few decades, railway voltage levels have gone from 750 V, which is still used for tramways and subway trains, to 25,000 V for high-speed lines. Rail infrastructure and vehicles have had to adapt to this new reality. “Over the years, trains have required more and more power, whether for air conditioning or line automation or to support ever more powerful and energy-intensive motors,” explains Philippe Berard, Vice President, Global Product Line.

Mersen has developed specific power supply expertise for train manufacturers, rail operators and maintenance companies, supplying them with third rail current collectors, earth current return units and fuses for electrical protection. “In the rail industry, change is gradual, and the market depends as much on maintenance and component replacement as on fleet renewal,” concludes Philippe Berard. “Our strength lies in having a global vision that fulfills the needs of most industry players, and in being able to support them thanks to our production facilities around the world”. ■



MERSEN’S RAIL EXPERTISE SPILLS OVER TO ROAD TRANSPORTATION

Mersen’s know-how in current collectors, invaluable for third rail subway applications, could well pave the way for new innovations in long-distance road transportation. This expertise is behind the **eRoadMontBlanc** project (France), led by Autoroutes et Tunnel du Mont-Blanc (ATMB), in association with Université Gustave Eiffel, Alstom, Pronergy and Greenmot.

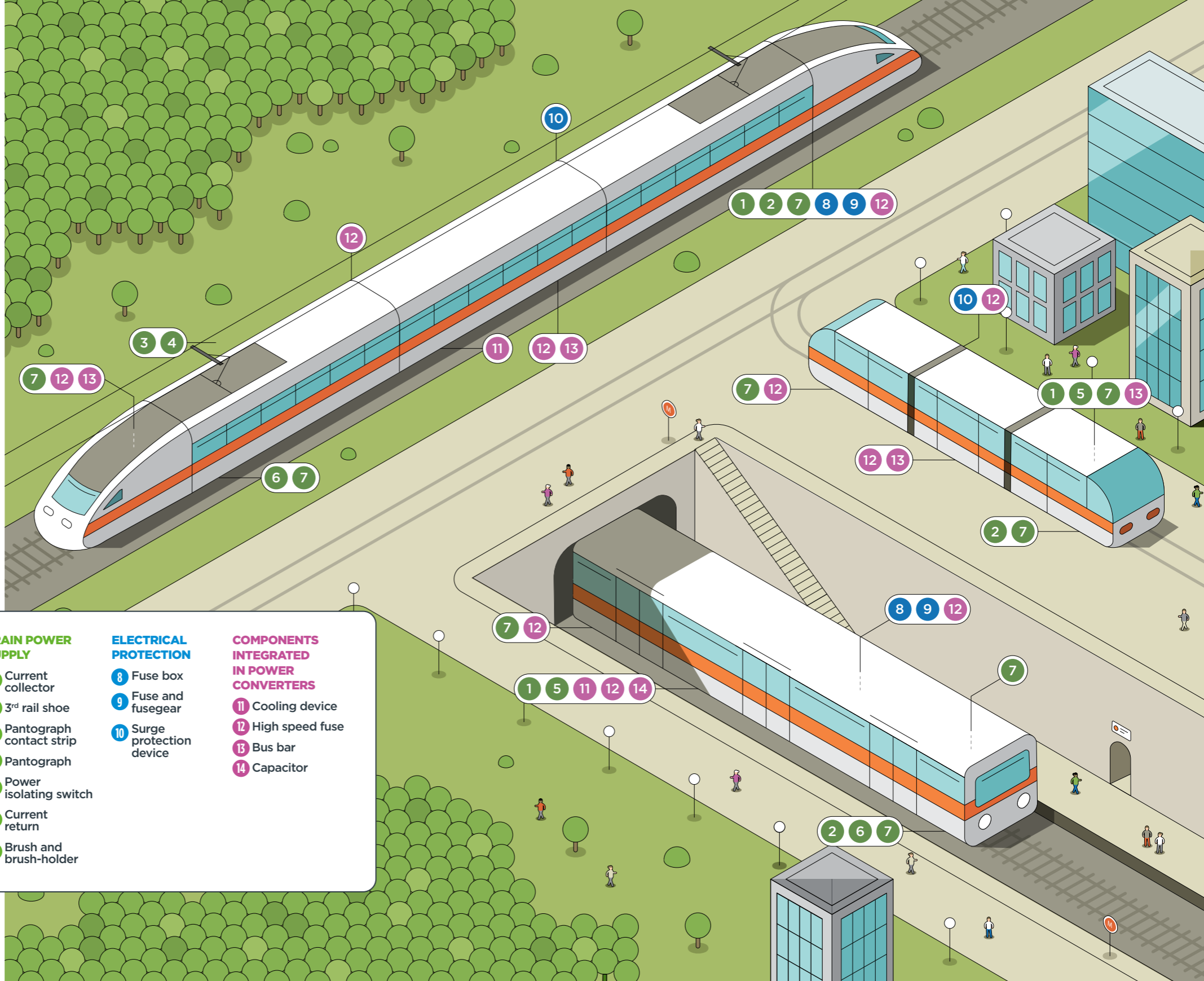
The aim of the project is to test an electrified road solution that uses a conductive rail in the ground to allow vehicles to recharge as needed while in motion, thanks to a collector situated between the rail and the truck traveling along the road. Mersen is working with Université Gustave Eiffel to design and manufacture the collector device, which will be attached to the underside of the vehicle and ensure continuous contact with the road for in-motion recharging. After a test phase at the Transpolis site near Lyon (France), field trials will be conducted in 2026 or 2027 to confirm the potential of what may turn out to be a major transportation electrification breakthrough.



Mersen's key technologies make the difference on rail networks

Over the years, Mersen has developed key products for rolling stock on rail and urban networks: electric and diesel locomotives for freight and passenger transport, electrical multiple units, metros and streetcars.

Performance, reliability and safety: Mersen provides technical solutions adapted to the particularly demanding operating conditions of the railway world.



TRAIN POWER SUPPLY

- 1 Current collector
- 2 3rd rail shoe
- 3 Pantograph contact strip
- 4 Pantograph
- 5 Power isolating switch
- 6 Current return
- 7 Brush and brush-holder

ELECTRICAL PROTECTION

- 8 Fuse box
- 9 Fuse and fusegear
- 10 Surge protection device

COMPONENTS INTEGRATED IN POWER CONVERTERS

- 11 Cooling device
- 12 High speed fuse
- 13 Bus bar
- 14 Capacitor

Electrifying the Indian network: the project of the century

Mersen was chosen by Indian Railways to help electrify the country's rail network by supplying pantographs for new locomotives.

It's a colossal project – perhaps the biggest the world rail industry has seen in the last century. When the Indian government announced in 2014 that it wanted to drastically reduce its carbon footprint, rail transportation emerged as one of the key sectors with the potential to bring this ambition to life. However, cutting dependence on fossil fuels when you have 35,000 kilometers of railroad is no easy task, and Indian Railways had to draw up a real battle plan. *“The project to electrify the Indian network is a unique project that will span more than 10 years,”* explains Thierry Laurent, Vice President Asia, PTT. *“It entails scrapping 8,000 diesel-electric locomotives and replacing them with pantograph-equipped electric locomotives.”*

An unprecedented technical challenge

The rail network, which will be used for transporting both

passengers and freight, will also need to accommodate double-stack rail cars, which in turn, will require the installation of high-rise catenaries, and therefore pantographs, at a height of 3.80 meters – a far cry from the standard 2.40 meters. Given that very few local manufacturers could meet these technical requirements and supply the necessary volumes, Indian Railways approached Mersen directly in 2019 to take part in this adventure.

“This was a real novelty for us, because although we already supplied pantograph components, we had never supplied the complete product,” says Thierry Laurent. *“A pantograph is a mechanical device with over 200 parts, weighing more than 200 kilos, that operates in a dynamic environment. It has to withstand vibrations, extreme temperatures and humidity and wind, all at a height of 3.80 meters.”*

“The project was managed entirely by Mersen India, illustrating the Group’s ability to work in a decentralized manner by leveraging local expertise.”

THIERRY LAURENT, VICE PRESIDENT ASIA, MERSEN PTT



35,000 km of rail to be electrified
15,000 locomotives to be initially equipped,
i.e. **30,000** pantographs

A fully decentralized project

Mersen India embraced the project and worked assiduously to develop a product corresponding exactly to Indian Railways' specifications. *“The project was managed entirely by Mersen India, illustrating the Group’s ability to work in a decentralized manner by leveraging local expertise,”* says Thierry Laurent.

After investing in production and collaborating with India's standards body, Mersen India succeeded in having its pantograph certified in 2024. *“We took up the challenge of making each product in-house,”* explains Debasish Basak, General Manager PTT, Mersen India.

“It took us over a year to find the ideal partner, capable of both designing and engineering the pantograph. It was a risk we had to take to have full control over the process and produce exactly the right product.”

When the first Mersen pantographs were delivered in 2024, the authorities were thrilled to see they had a new manufacturing partner who was able to keep pace with its rail infrastructure transformation. The network will be fully electrified by the end of the year, and new lines are already being planned, creating opportunities for Mersen to supply equipment for the new locomotives. Mersen India is now focusing on boosting production volumes, with around 500 deliveries planned for 2025, followed by 1,000 in 2026.

“It took a long time to create a stable process, but now we’re ready to move on to the next stage,” concludes Debasish Basak. *“We’re currently expanding the site and creating several new production lines to meet growing market demand.”*



“By the end of the year, the network will have been fully electrified, and new lines are already being planned.”

DEBASISH BASAK, GENERAL MANAGER PTT, MERSEN INDIA



Environnement: Mersen scores highly

While CSR has always been an integral part of Mersen's culture, this commitment has grown stronger over recent decades, and is now a key pillar of the Group's development – a development that is highperforming, ethical and responsible

2027 ENVIRONMENTAL OBJECTIVES INCLUDED IN MERSEN'S CSR ROADMAP (vs. 2022)

- Reduce the intensity of greenhouse gas emissions by 35% (Scopes 1 and 2)
- Increase the share of renewable electricity to 80%
- Increase the share of waste recycled to 80%
- Lower water consumption intensity by 15%
- Draw up a formal water conservation plan for all sites exposed to water stress

Aerial view of the Pagny-sur-Moselle site in France, where major efforts have been made to reduce water consumption.



From developing human capital and strengthening the value chain to reducing its environmental impact, the Group implements its objectives through an ambitious CSR roadmap and a wide range of local initiatives.

A key player in sustainable markets

For over 15 years, Mersen has been supporting the major energy and environmental changes sweeping through society, as well as the players behind them. The Group's work to support major players in rail transportation is just one illustration of this commitment. However, the Group also invests in a wide variety of other sectors, including wind and solar energy, electric vehicles and, more broadly, energy efficiency.

Redesigned processes for a controlled impact

Not only does Mersen strive to help its customers meet their sustainability objectives, it also applies strict environmental guidelines on a day-to-day basis. From the eco-design of products and reducing waste during production to the recycling of raw materials, careful use of water and a responsible energy purchasing policy, Mersen applies a demanding CSR framework to every stage of its activity, both upstream and downstream. ■

When eco-design shapes how we think

What does eco-design mean for Mersen components and products? These components and products are designed to improve the reliability and performance of solutions designed to have a positive impact on society. This is why the Group has made the decision to apply this same approach to its own product lines, ensuring that their environmental impact is also kept as low as possible. To achieve this, Mersen implements an eco-design approach aimed at optimizing every element of each product – from manufacture to use, right through to potential recycling.

An optimized approach for the Electrical Power segment

Mersen's Electrical Power segment has made eco-design a key element of the development of its power management and electrical protection and control solutions.

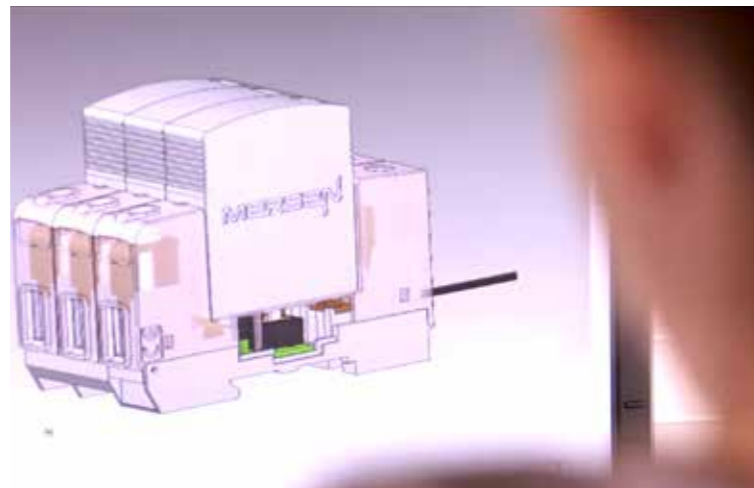
"Each new product is designed to have a lower environmental impact than the previous product," explains Laëtitia Millée, the segment's Product Environment Manager.

"To achieve this, we leave no stone unturned in our planning, considering factors such as carbon weight, water acidification and water consumption required for manufacturing, to see how we can best adapt our methods".

These considerations cover the product's entire life cycle, from the extraction of materials, production, transportation and use, through to end-of-life recycling. An assessment is carried out on existing products to calculate their current impacts, identify areas for improvement and define impact reduction targets for new ranges. *"By working upstream,*

we are able to optimize products at different stages throughout their life cycle," continues Laëtitia Millée. *"In particular, we try to increase the proportion of recycled materials used in manufacturing, to relocate production to limit transportation and, by extension, greenhouse gas emissions, and to use the same materials from one product line to the next, to increase component recyclability."* ■

In Mersen's centers of excellence, teams integrate eco-design into every stage of a new product's development.



BY MAKING UPSTREAM CONSIDERATIONS WHEN LOOKING AT A PRODUCT'S ENTIRE LIFE CYCLE, WE ARE ABLE TO OPTIMIZE VARIOUS DIFFERENT ELEMENTS OF THE PRODUCT AND THEREFORE REDUCE THE OVERALL IMPACT OF OUR PRODUCT LINES.

Looking to renewable energy

In today's world, the importance of using renewable energies seems obvious. However, there are still many hurdles to overcome before renewables can be adopted on a wide scale. Mersen is continuing to roll out initiatives across all of its production sites to reduce its dependence on fossil fuels and limit its direct greenhouse gas emissions.

Stepping up renewable electricity purchasing

To meet its target of achieving 80% renewable electricity by 2027, the Mersen group is taking active steps to replace its purchases of conventional energy with green alternatives (solar power, wind and hydraulic energy, etc.). At certain sites, the electricity purchased benefits from guaranteed renewable energy certificates, depending on availability and cost.

Solar PV power plants that boost the energy autonomy of sites

As part of its decarbonization drive, Mersen has also been using photovoltaic panels to self-generate renewable electricity, which are becoming increasingly common at suitable sites. By the end of 2024, 11 manufacturing sites were equipped with solar power plants designed for self-consumption, including the Chongqing site in China, which can produce up to 420 MWh/year, and the Hittisau site in Austria, which equipped its buildings with rooftop photovoltaic panels in 2023 to produce 260 MWh/year.



By the end of 2024, 11 industrial sites were equipped with photovoltaic power plants for self-consumption, including the Husum site in Germany.

MERSEN IS COMMITTED TO ACHIEVING 80% RENEWABLE ELECTRICITY BY 2027.

SELF-CONSUMPTION CAN ACCOUNT FOR UP TO 25% OF A SITE'S ELECTRICITY NEEDS.

Committed to voluntary carbon offsetting

A mechanism still little known by the general public, voluntary carbon offsetting reflects a group's desire to offset all or some of its CO₂ emissions by supporting sustainable initiatives. *"Despite everything we are doing to reduce our environmental impact, it is not technically possible for an industrial group like Mersen to achieve carbon neutrality,"* explains Véronique Boca, Vice President, Communication.

"Voluntary carbon offsetting is a mechanism whereby we can partially offset the impact of our activity that cannot otherwise be reduced, by financing projects that have been certified by standardized labels and which deliver carbon credits in return."

As part of this undertaking, Mersen has decided to finance two projects, both with the goal of reducing the share of coal in India's energy mix in order to avoid CO₂ emissions: the Bendosol project and the Pawan project. The first of the two aims to generate electricity from a solar source, and the second from wind power. ■

LOCATED IN A REGION FOUND TO BE FACING “EXTREMELY HIGH” WATER STRESS, MERSEN’S BANGALORE SITE HAS COMPLETELY RETHOUGHT THE WAYS IT USES WATER.

A constant drive to use less water

To reduce its water consumption by 15% by 2027, Mersen has been implementing various initiatives since 2022 to reduce volumes used, with a particular focus on methods used to cool equipment used in heating processes (baking and graphitizing).

Three years to divide water consumption by three

Mersen recently carried out a transformation project in Pagny-sur-Moselle in France, at one of the Group’s most water-intensive sites. Since the site already draws water directly from the groundwater table, this was more of a virtuous project than anything else. To limit waste, the site first reviewed its equipment (detecting leaks, repairing pipes, etc.) before then taking a closer look at its processes. Daily meter readings were

introduced, the cooling pumps were replaced, and the site switched to a closed circuit, which resulted in savings of 40,000 cu.m per year. Lastly, a large part of the project focused on raising team awareness and implementing best practices. As a result of this wide-scale project, the site’s water consumption is now a third of what it was three years ago.

Renovation of a water-stressed site in Bangalore

Back in 2019, the Bangalore site in India became one of the first Group sites to draw up a water conservation plan. India is one of the most water-stressed countries in the world, with the World Resources Institute (WRI) classifying a staggering nine regions in the country as “extremely waterstressed”. As part of the conservation plan, all processes and activities at the site were reviewed to identify areas for improvement, and a wide range of adjustments were made, including the installation of low-flow fixtures and water meters on primary and secondary lines, the installation of a drip irrigation system in the site’s vertical garden, and the construction of a 200,000-liter rainwater recovery basin. A wastewater treatment plant has also been built to make it possible to reuse wastewater for a variety of uses, such as watering. ■



At the Pagny-sur-Moselle site in France, diagnosis of water leaks in pipes.

Back to the future

A GROUP WITH A GENUINELY HUMAN CULTURE, MERSEN HAS ALWAYS TAKEN CARE, FROM ITS ORIGIN, TO ADAPT ITS WORK ORGANIZATION TO THE WELL-BEING, HEALTH, SAFETY AND FULFILMENT OF ITS EMPLOYEES.

From pioneering social initiatives... **p.22**
 ... to Mersen’s culture as we know it today **p.24**
 Gender diversity: a Group that takes pride in its workforce **p.26**
 Integrating employees with disabilities **p.28**



A GROUP WITH A GENUINELY HUMAN CULTURE

FROM PIONEERING SOCIAL INITIATIVES...

1904

At the turn of the 20th century, back when the issue was rarely considered by employers, the Group set up L'Union des ouvriers du Carbone, its first mutual insurance company, which was supported on a voluntary basis by a handful of employees and a small number of management and supervisory staff. When the Company then moved to Gennevilliers in 1914, it created a new, officially sponsored and subsidized mutual insurance company, which replaced L'Union des ouvriers du Carbone.

Le Carbone factory
entrance, 1913.

1919

In 1919, following a suggestion from Group management, a cooperative store was opened in Levallois. The store, which later opened a second, smaller location in Gennevilliers, sold foodstuffs to its members at, on average, a 10% discount.

1931

During the inter-war period, a daycare facility was created in Gennevilliers and made available to the municipality by the Foyer du Grand Paris. The Group made a financial contribution to the building and the running of the facility, with 15 places reserved for the children of Mersen employees.

The Gennevilliers
factory during
the Popular Front
period.



BULLETIN MENSUEL
DU COMITÉ D'ÉTABLISSEMENT
DE LA SOCIÉTÉ
**LE CARBONE
LORRAINE**

(Usine de Gennevilliers)

№ 7 Octobre 1946

SOMMAIRE

Réunion du C. E. du 7 Octobre 1946
Réunion du C. E. du 11 Octobre 1946
Réunion des Délégués du 5 Septembre 1946
Étude Sportive " Le Carbone-Lorraine "
Fronts Américains - Union Mutualiste
Nouvelles

First newsletter
from the
Gennevilliers
plant works
council.



Vacation center
for children
of the Group's
employees
in the 1950s.



CARE ABOUT YOU

... TO
MERSEN'S
CULTURE
AS WE KNOW
IT TODAY

2010

In 2010, while combining certain activities as part of an optimization drive, the Group strengthens its health and safety plan based on an active prevention policy in all of its establishments. In just under 15 years, the number of accidents have been significantly reduced.

2021

Launched in 2021, the Mersen Care welfare program is built on three pillars which reflect the core values that Mersen stands for: equity, protection and balance. Whether the focus is on sharing and redistributing the value created, protecting the physical and psychological health of its employees or strengthening work/life balance (by, for example, standardizing the number of days of leave across the Group), Mersen is committed to improving the quality of life and working conditions of its teams at each of its sites around the world.



Images from
the film
"Mersen
committed to
sustainability".

GENDER DIVERSITY: A GROUP THAT TAKES PRIDE IN ITS WORKFORCE

At all levels of the Group from management through to production, more and more women are joining Mersen. Between 2018 and 2024, the number of women engineers and managers within the Group climbed from 20% to 27%. Women also now account for 15% of the Open Expert network, compared with 10% in 2022. The target for women in senior management positions is 27% in 2027.

As part of its efforts to support gender equality, the Group is developing an active recruitment policy, while also monitoring career paths, carrying out workstation adjustments and developing awareness campaigns aimed at managers.





Images
from the film
"Diversity in action
at Mersen".



INTEGRATING EMPLOYEES WITH DISABILITIES

As part of its diversity policy, Mersen is committed to promoting the inclusion of people with disabilities. In 2021, as part of this commitment, Mersen reviewed its practices in order to allow for a better understanding of the visible and invisible challenges facing employees with disabilities, and provide them with better working conditions. The Group has set a target of increasing the number of people with disabilities in its workforce by 25% between 2022 and 2027. ■

Inside Mersen

2024 IS CERTAINLY THE YEAR OF THE CSRD, BUT IT IS ALSO THE YEAR IN WHICH WE SUCCESSFULLY PURSUED OUR ACQUISITION STRATEGY. FROM THE STRENGTHENING OF PRODUCTION CAPACITIES TO MAJOR SUCCESSES IN CUTTING-EDGE SECTORS, IT'S GOOD TO WORK AT MERSEN.

Is the CSRD a driver of the sustainability transition? **p.30**
Mersen successfully pursues its acquisition strategy **p.32**
Purchasing, a little-known but essential pillar of CSR **p.34**
A year in the life at Mersen: projects that mark the present and prepare the future **p.36**

Is the CSRD a driver of the sustainability transition?

Aimed at promoting transparency, harmonization and the environmental transition, the Corporate Sustainability Reporting Directive (CSRD) marks a major shift in Europe’s regulatory approach to nonfinancial reporting. Here’s a look at how it impacts businesses.

What exactly is the CSRD?

The CSRD is a European directive designed to enhance corporate transparency with regard to sustainability. It seeks to redirect financial flows to sustainable activities within the European Union by providing a more precise framework for corporate non-financial reporting. It is a tool that supports the European Green Deal, which strives to make Europe climate-neutral by 2050.

The CSRD requires companies to harmonize their reporting practices and improve the accessibility and quality of their environmental, social and governance (ESG) data to ensure greater transparency

Mersen’s 12 material issues

ENVIRONMENT

- Reduction of carbon footprint
- Adaptation to the effects of climate change
- Waste management and circular economy

LABOR

- Diversity, inclusion and equal opportunity
- Training and skills development
- Employee safety and well-being
- Working conditions of value chain workers

SOCIETAL

- Product safety and security
- Respect for human rights and fundamental freedoms

BUSINESS CONDUCT

- Business ethics
- Responsible supply chain
- Normative and regulatory inflation

on the sustainability impact of their operations. It provides financial institutions and investors with key information to guide their decisions.

How is the CSRD reshaping corporate behavior?

From 2025, all listed companies with over 500 employees are within the scope of the directive. This means they are required to prepare a “CSRD report” containing detailed, standardized information on their sustainability-related impacts, risks and opportunities. Each company must identify its “material issues” from two perspectives: financial materiality, i.e., how sustainability matters impact



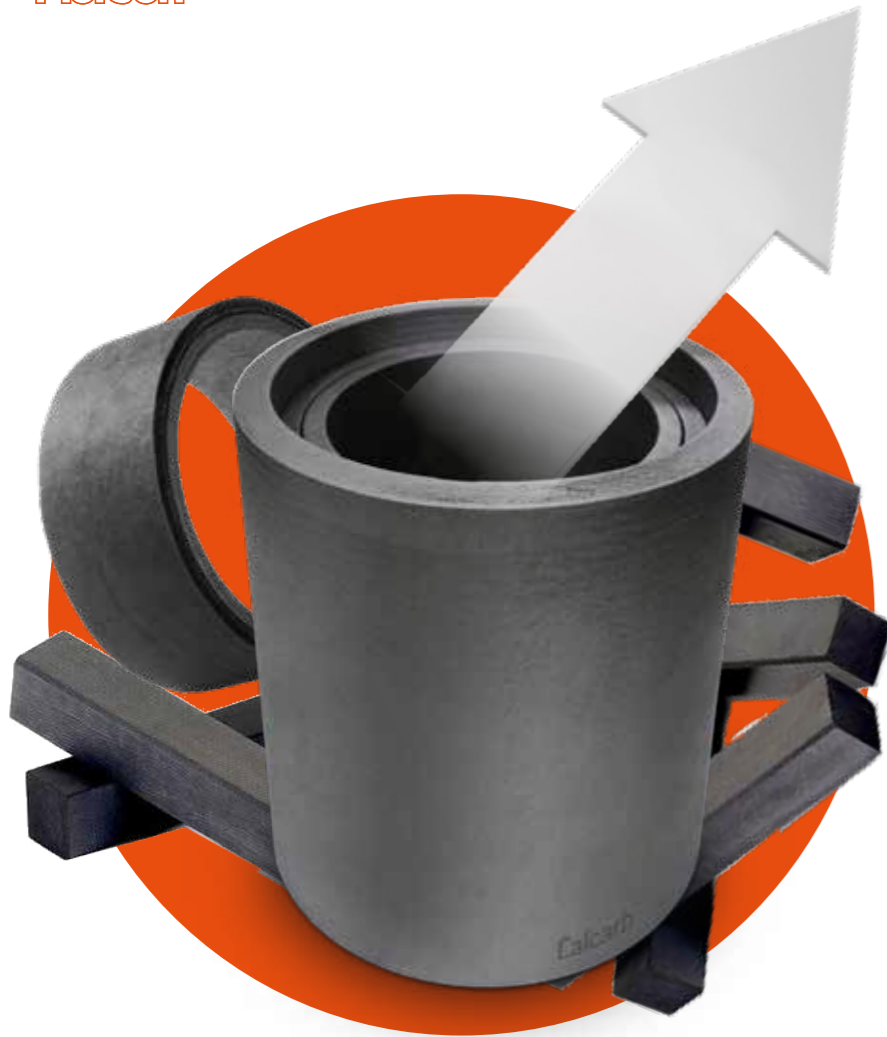
“The main benefit of the CSRD is to harmonize the information reported by companies and thus facilitate comparison.”

Jean-Philippe Fournier, Vice President, Operational Excellence

the company’s financial performance, and impact materiality, i.e., how the company impacts society and the environment. The required information includes the company’s policies on environmental protection, social responsibility, respect for human rights, the fight against corruption and executive board diversity. Climate change risks and their impact on business performance must also be disclosed.

How has Mersen applied the CSRD?

With 7,500 employees in 33 countries, Mersen is among the companies required to report this year. Its first sustainability report has just been published. It is the fruit of several months’ work by various working groups to determine the actual impact of the Group’s operations and translate it into various “material issues”, in line with the criteria set out by the directive. ■



Mersen successfully pursues its acquisition strategy

With 34 acquisitions or majority-owned joint ventures in 15 years, Mersen follows a policy of gradual, controlled growth, capitalizing on cutting-edge expertise to consolidate its positions and strengthen its leadership.

Increased business synergies

How do you strengthen your foothold in highly technical niche segments where it's difficult to achieve the critical mass needed to be profitable? Apart from investing significantly in R&D to continue offering customers innovative solutions and

distinguish itself from the competition, the Group pursues acquisitions to broaden its expertise and increase its production capacity.

As Thomas Farkas, Vice President, Strategy and M&A at Mersen explains, *"Our primary goal is to consolidate our businesses by concentrating on the sectors in which we are present to bolster our leadership or better position ourselves in relation to the competition – by achieving greater volumes and generating economies of scale"*.

In certain cases, Mersen can also target growth through adjacency, i.e., by seeking out opportunities in sectors close to its own in order to expand its product range, address a customer's particular needs or position itself in an emerging segment that has the potential to provide added value.

An integration-focused approach

In the vast majority of cases, Mersen's acquisitions involve family companies with which the Group shares a business vision and values that facilitate integration. Sometimes, it may take five to ten years for a transaction to be completed – a period during which the two

They joined the Mersen adventure in 2024

GMI GROUP (GRAPHITE MACHINING, INC.): An expert in the machining of graphite, the company employs approximately 200 people at four locations in the United States. By providing Mersen's Advanced Materials segment with additional machining and processing capacity for graphite (isostatic and extruded) and insulation felts in the United States, this new acquisition reinforces Mersen's leading position in such markets as aeronautics, process industries and energy.

KTK THERMAL TECHNOLOGIES: Based in Macedon, New York, this designer and manufacturer of cooling systems consolidates Mersen's North American expertise in cooling solutions.

BAR-LO CARBON PRODUCTS, INC: This American specialist in the precision machining of graphite and synthetic ceramics bolsters Mersen's capabilities in the semiconductor and other processing industries. A small, family-run company, it employs around 30 people at its site in Fairfield, New Jersey in the United States.



"Cirprotec's* efficiency, agility and fast product development inspired us to improve our processes."

Thomas Farkas, Vice President, Strategy and M&A

entities get to know and respect each other.

"Much of an acquisition's success lies in the ability to seamlessly integrate new teams, to take account their history, their knowledge and their methods," adds Thomas Farkas. *"Even if we aim to standardize practices and processes, the strength of Mersen's culture is in being sufficiently open to take the best from the companies that join us and knowing how to preserve their skills."* —

* Two-step acquisition, in 2014 and in 2016.

Purchasing, a little-known but essential pillar of CSR

To strengthen and streamline supplier relationships, particularly with regard to corporate social responsibility (CSR) issues, Mersen relies on a rigorous partnership approach and a supplier relationship management (SRM) tool. Interview with **Evelyne Martinez**, Vice President, Purchasing for Advanced Materials and **Christophe Ravaz**, Vice President, Purchasing for Electrical Power.

How can purchasing play a decisive role in CSR?

Evelyne Martinez: At Mersen, over 60% of our sales are linked to external purchases. If we really want to manage our overall impact and help reduce greenhouse gas emissions, we need to buy products that are responsibly designed, respectful of the environment and comply with the Group's CSR policy. And to do this, it's essential to have a comprehensive view of how our suppliers work.

How do you do that?

Christophe Ravaz: As a first step, we mapped our suppliers on a global scale in order to promote local sourcing at all our sites and thus minimize transportation-related emissions. But that's not all. Through interviews and assessments, we make sure our suppliers are fully involved in our CSR approach. We have established a CSR self-assessment questionnaire and a Mersen Purchasing Charter for a Sustainable Supply



“The charter formalizes our relationships with suppliers and sets the standard for virtuous collaboration.”

Evelyne Martinez, VP Purchasing, Advanced Materials

Chain to support and formalize our responsible relationship with all our partners.

What are the main features of the Purchasing Charter for a Sustainable Supply Chain?

EM: The charter formalizes our relationships with suppliers and sets the standard for virtuous collaboration. It sets forth the Group's requirements and promotes the implementation of best practices, including those related to social and environmental issues. It covers all the issues to which Mersen is committed, such as the promotion of and respect for human rights, child protection, health and safety, data protection, ethics and, of course, environmental matters.

CR: We then use the CSR self-assessment questionnaire to make sure that the commitments made are in reality followed through. The document provides a “supplier CSR” rating, the results of which are tracked in our SRM tool. Below a certain score, an internal audit is carried out in order to define improvement plans.

Do certain issues concern you more than others?

CR: All topics are important, but since a large part of our business involves the purchase



2027 target
Less than 5% of suppliers with a CSR score of less than 25 out of 100

of metals, we pay particular attention to identifying and managing the supply risks associated with minerals from conflict areas. We keep a close eye on this since we know that the extraction and trade of minerals can be a source of serious human rights violations. International regulations on this issue are very strict, and we do our utmost to ensure that our suppliers comply with them. ■

“Since a large part of our business involves the purchase of metals, we pay particular attention to identifying and managing the supply risks associated with minerals from conflict areas.”

Christophe Ravaz, VP Purchasing, Electrical Power

A year in the life at Mersen: projects that mark the present and prepare the future

Mersen continued to grow and develop in 2024! The Group scored major wins in leading industries and strengthened its production capacity, while improving working conditions for its employees.



An expanded range of fuses for energy storage

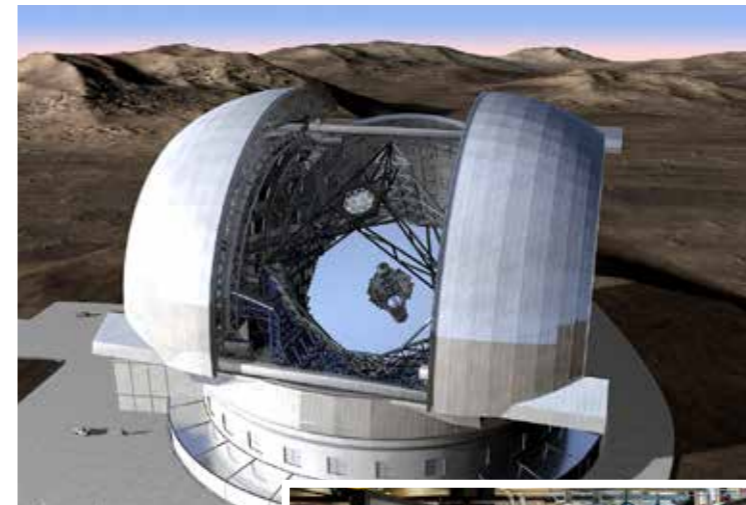
The Group has been developing an array of specialized fuses for the fast-growing markets of energy storage applications and electric vehicle charging infrastructure. Mersen recently launched a new range of fuses designed for applications up to 1500 VDC (Volts Direct Current), with nominal currents from 500 A to 2650 A, in compliance with the new IEC 60269-7 battery protection standard. ■



Mersen delivers the fifth mirror for Europe's future giant telescope

Mersen delivered to Safran Reosc the fifth and final mirror for the European Southern Observatory's Extremely Large Telescope (ELT). Installed in Chile, at an altitude of over 3,000 meters, with a primary mirror 39 meters in diameter, the ELT is the world's most powerful giant telescope. It will pave the way for major advances in astronomy by recovering data of

unprecedented accuracy. This technological feat is based in part on the M5 mirror designed by Mersen, which consists of six silicon carbide (Boostec® SiC) petals coated with Mersen SiC CVD. It is a further illustration of Mersen's expertise and commitment in the field of astronomy, after more than 25 years collaborating on programs with ESA and NASA. ■



Installed in Chile, the ELT is the world's most powerful giant telescope.

The Mersen Boostec team around the M5 mirror.



NEW MARKETS, INNOVATIONS



Canon teams up with Mersen to optimize its laser 3D printing systems

Mersen and Canon created a partnership in 2024 to produce high-performance Galvo scanner motors for the high-end segment of the laser scanning applications market. Canon will incorporate Mersen's optoSIC® precision optics technology into the new Galvo motor range. The scanners will deliver exceptional manufacturing speed and efficiency to customers in the laser 3D printing, cutting, welding and marking industries. ■

Mersen India thinks big

The Mersen site in Bangalore, India is being extended to include production lines for cooling systems and pantographs. Mersen India is participating in the electrification of India's railway system (see *In the Air section*) through the supply of key components for the new urban and inter-city networks. Over the past



three years, a total of €8 million has been invested in the Bangalore site. The plant currently spans around 50,000 square meters and employs 280 people. ■

Terrassa's test lab.



The Terrassa site turns 30

In 2024, Mersen celebrated two Cirprotec events: the 10th anniversary of the Spanish company's joining the Group and the 30th anniversary of Terrassa, its historic site. Today, 130 employees work at Terrassa, which is the Group's main center of excellence for surge protection. Mersen used the occasion to inaugurate the semi-automatic production line for the new Surge-Trap® K platform, dedicated to plug-in surge protectors. The new line substantially increases the facility's production capacity for this product range. ■

Mersen certified Best Workplaces for Women™ in Greater China

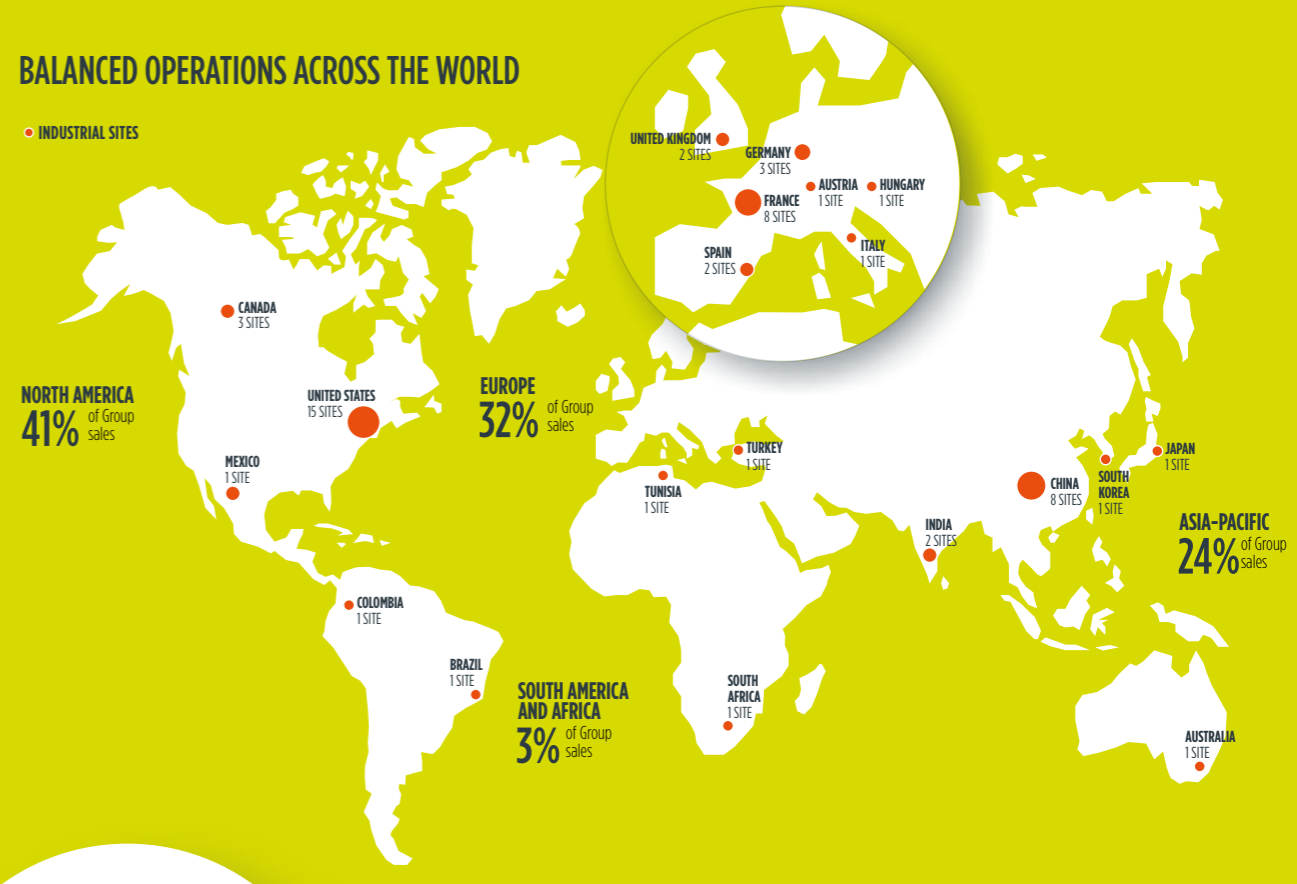
Great Place to Work® has recognized Mersen in China for its commitment to gender equality. The organization highlighted the fact that Mersen implements practices that promote justice and equity, thereby creating a positive and favorable working environment for all, especially women. ■



Mersen, world expert in electrical power and advanced materials for high-tech industries

BALANCED OPERATIONS ACROSS THE WORLD

INDUSTRIAL SITES



THE ESSENTIALS 2024

7,466 employees
33 countries
55 sites worldwide
21 R&D centers
€1,244 M in sales

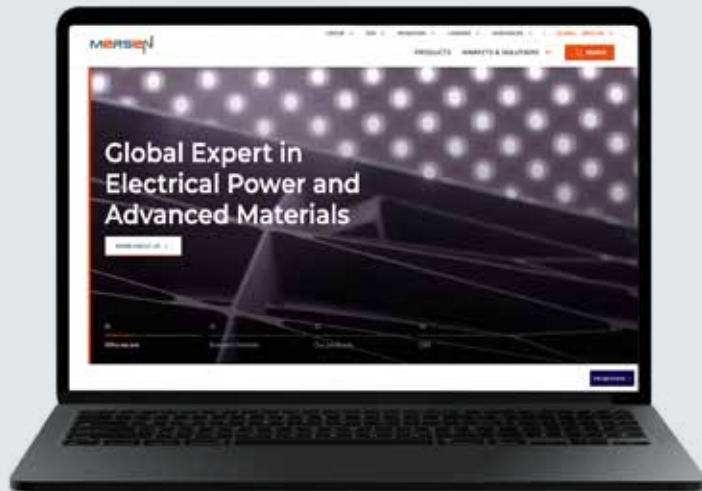
A GROWING COMMITMENT TO CSR



A LEADING PLAYER IN ITS MARKETS

- #1 worldwide**
 - High-temperature Isostatic graphite applications
 - Brushes and brush-holders for industrial electric motors
 - Anti-corrosion equipment
- #2 worldwide**
 - Passive components for power electronics
 - Industrial fuses

**ONE
WAY
TO
MERSEN**



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