

SUSTAINABILITY
REPORT
2023





100%

of our sites are certified to ISO 14001 (environmental management system) and ISO 45001 (occupational health and safety management system)



97%

of critical suppliers have signed our Code of Conduct



98%

of our employees trained on our Information Security



1,500

mangrove trees planted in China

78/ 100

our Ecovadis score (Gold medal)

EDITO

OLIVIER ROUSSEAU

CHIEF EXECUTIVE OFFICER

SGD Pharma's 2023 Sustainability Report is, I believe, a testament to our commitment to sustainability. As we navigate the complexities of a rapidly changing world, our dedication to responsible business practices remains steadfast.

At SGD Pharma, sustainability is not just an add-on; it's at the core of our business strategy. We firmly believe that glass packaging plays a vital role in creating a safer and better environment for everyone, everywhere. We have very clear goals on all pillars of our ESG strategy and are committed to continuous improvement. Today, I'm glad to share with you through this report our ESG achievements for 2023.

We've taken a bold step to lead the decarbonisation of the pharma glass industry. By 2030, we aim to reduce our carbon dioxide (CO₂) emissions by 35% and, by 2040, by an ambitious 65% compared to 2020 levels. Our roadmap, approved by the Board, aligns with a 1.5°C trajectory set by the Science Based Targets initiative. Additionally, we are working on reducing water consumption and increasing biodiversity: our APAC organisation, led by Frédéric Barbier, is building a coalition to plant mangrove trees with a target of 10,000 trees planted in 2024.

The safety of our people is our main priority. We've made significant progress on our People strategy: Pierre-Michel Bataillard, our HR Director, provides multiple examples of our progress throughout this report. In April 2024, we achieved 1,000 accident-free days at our Zhanjiang plant, demonstrating our unwavering commitment to employee safety. We've made significant strides in gender equality, inclusion and work/life quality. Our Global Leadership Team has worked on our corporate culture and values, driving our vision forward. Our highly engaged employees are the driving force behind our success.

We are committed to conducting our business in a sustainable and ethical manner. Our compliance roadmap covers ethics, anti-bribery and anti-fraud, and we are training our employees. Sustainable purchasing practices are also a priority. Our Executive Committee and Board are overseeing our sustainability efforts, ensuring transparency and accountability.

We're proud to have achieved a Gold EcoVadis rating, scoring 78 points out of 100. Our continuous improvement philosophy and detailed work across all sustainability pillars contribute to this success.

For the fifth consecutive year, we proudly support the UN Global Compact. Since 2020, our CSR strategy has aligned with the Compact's 10 principles.

Again, sustainability isn't just an option at SGD Pharma; it's our competitive advantage. We extend our heartfelt gratitude to everyone working tirelessly to enhance our sustainability practices worldwide. Together, we're building a better company – one that will leave a positive impact on our planet.

As we look ahead to 2024, we are keen to show further progress on all fronts that I'll be proud to share with you next year.

Thank you for joining us on this journey



ABOUT THIS REPORT

SGD Pharma's 2023 sustainability report is written in accordance with Global Reporting Initiative (GRI) Universal Standards 2021. It is focused on material issues for SGD Pharma and reflects our strategy, objectives and activities across three pillars: our people; our business values; and our environmental aspects. It also sets out the commitment of SGD Pharma towards sustainable development and the company's support for the 10 principles of the UN Global Compact.

REPORTING PERIOD AND SCOPE

The report is a comprehensive document designed to transparently share our progress, challenges and future commitments toward sustainable development. It endeavours to provide a detailed account of our sustainability journey over the reporting period of 1 January to 31 December 2023.

Published in May 2024 and presented in English, this report aims to make the information accessible to all our stakeholders, reinforcing our commitment to transparency and stakeholder engagement. By adopting the GRI reporting standards, we ensure that our sustainability disclosures are in line with global best practice, offering a clear, reliable basis for assessing our environmental, social and governance (ESG) performance.

This report includes data and activities across all SGD Pharma's operational sites and offices, providing a holistic view of our sustainability efforts. To ensure clarity and relevance, the environmental data presented in this report excludes our offices, due to their comparatively minor impact on our overall environmental footprint. This decision was made in line with our commitment to focus reporting efforts on our most material impacts, allowing us to prioritise areas of substantial environmental concern, such as our manufacturing processes and resource utilisation.

As a part of our commitment to transparency, the SGD Pharma Executive Committee has mandated the sustainability team and ESG pillar leaders to guide and oversee the compilation of the information within this report. In the production of this report, we have taken great care to ensure the information selection process, as well as the measurement, calculation, or estimation methods applied, adhere to the highest standards of accuracy and integrity.

In accordance with our ongoing commitment to sustainability, SGD Pharma conducted a comprehensive materiality analysis in 2021. This analysis provides the foundation for determining which sustainability topics are most material to us.

ABOUT SGD PHARMA

At SGD Pharma, our diverse product portfolio includes advanced packaging solutions critical for drug delivery and patient safety. We pride ourselves on being a key player in the industry, contributing to the safe administration of medication globally. Sustainability is a key part of our operations and strategy. With a rich history of excellence in pharmaceutical glass packaging, we are committed to the quality and safety of our products, which play a crucial role in global healthcare. Beyond compliance with all applicable laws and regulation, our definition of responsibility extends to equitable treatment of stakeholders and environmental stewardship.

OUR VALUE CREATION

SGD Pharma is a leader in the glass pharmaceutical primary packaging industry and is positioned as a premium player. Our strategy is to defend and reinforce our leadership position in moulded glass vials. We aim to grow in high-value segments by concentrating our efforts on:

- The quality of our products
- Service to our customers
- Innovation in both products and processes
- Delivering an ambitious sustainability roadmap.

We are committed to protecting and improving patient health by providing high quality, reliable and innovative products to our customers in the pharmaceutical industry.

Part of our mission is making patient health our top priority when we make decisions.

All employees and external contributors work to meet SGD Pharma quality objectives. Each participant involved in the production of our glass vials, bottles and ampoules is held directly responsible for the quality of the product being made.

With more than 100 years of know-how inherited from our parent company Saint-Gobain, SGD Pharma is renowned worldwide as setting the technical gold standard in glass packaging.

Serving the demanding pharmaceutical market, we combine control of the glass process with the implementation of leading manufacturing practice for pharmaceutical primary packaging in all our manufacturing facilities.

This double expertise is the basis of our performance, confirmed by our leading position in the market. To achieve operational excellence across our five facilities, we share best practice and align our manufacturing and quality processes.

In 2013, SGD Pharma entered the tubular glass market, applying our extensive expertise in glass processes and our commitment to the pharmaceutical market. Our tubular glass facility is equipped with state-of-the-art converting machines, enabling us to meet international standards with world-class tubular glass containers.

OUR BUSINESS MODEL

OUR MISSION

We aim to improve and protect patient health by providing high quality, reliable and innovative primary glass packaging to our pharmaceutical customers.

OUR RESOURCES

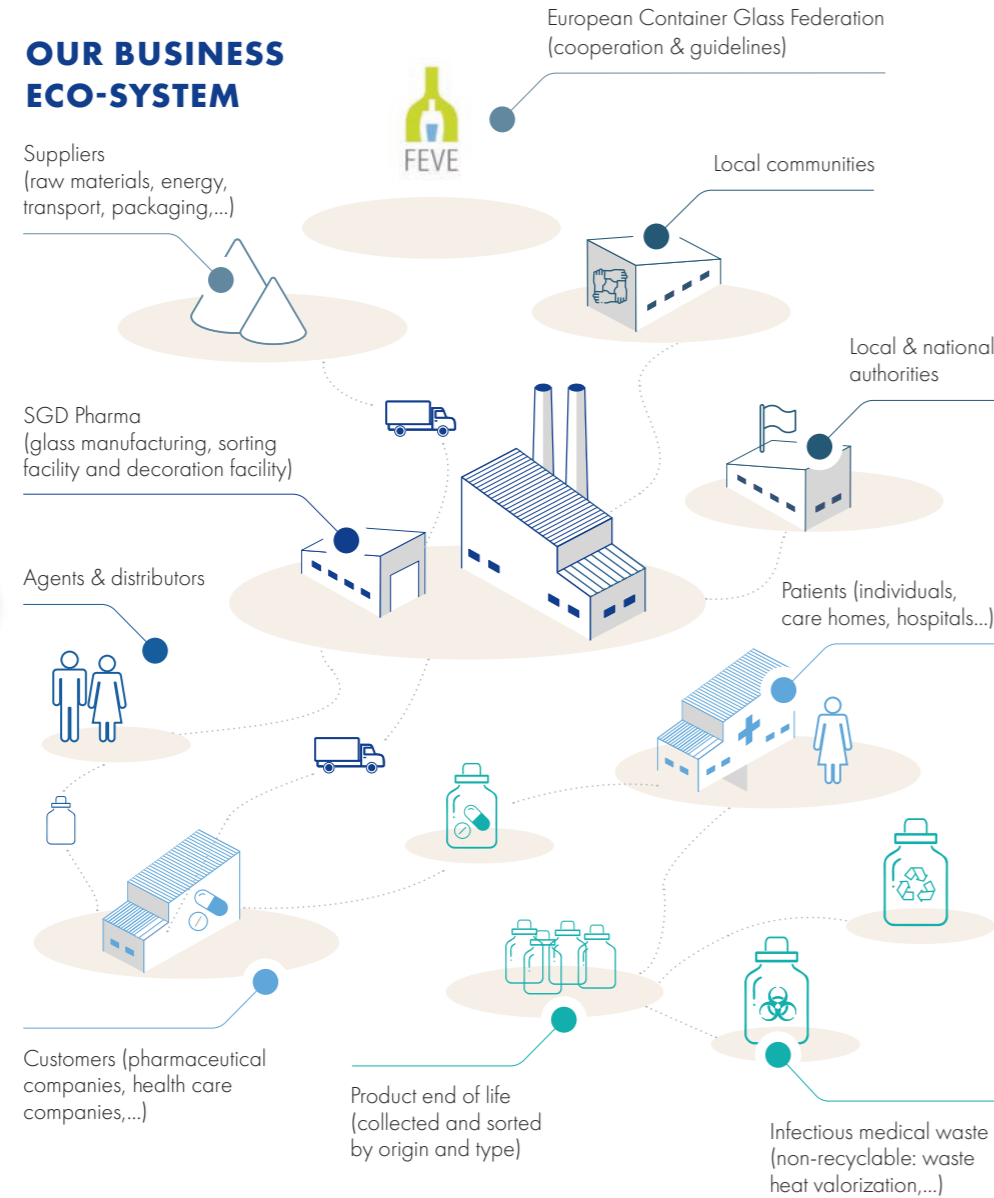
Our employees make our success

- Over 3,000 employees

A global player with a local presence

- 5 manufacturing facilities (ISO 15378 certified) in 4 countries
- 5 sites ISO 45001 certified
- 5 sites ISO 14001 certified
- 4 sites ISO 50001 certified
- 7 furnaces
- 1 sorting facility
- 1 decoration facility
- 10 sales offices around the world
- 90 agents and distributors

OUR BUSINESS ECO-SYSTEM



VALUE CREATED

Healthy financial results

- 2023 consolidated sales €441M

Our pharmaceutical products

- More than **3 billion vials** are manufactured and sold per year
- Our product applications cover all types of medical pathology

Shared growth

- **For our employees**
25 hours of training per employee
- **For our suppliers**
More than **2500** suppliers supported across **6** continents
- **For localities**
More than **40** initiatives or partnerships with local communities in **5** countries



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01

OUR COMPANY STRUCTURE AND GOVERNANCE

SGD Pharma, headquartered in Paris, France, and owned by PAI Partners, operates with a clear company structure and governance model. The executive committee, led by CEO Olivier Rousseau and comprising nine members, oversees strategic decisions and ensures accountability across the organisation. This streamlined approach facilitates efficient decision-making and effective implementation of policies, fostering transparency and adherence to ethical standards. SGD Pharma maintains a global presence, with five operational sites in France, Germany, India and China. Through its governance framework, SGD Pharma maintains a strong focus on operational excellence and sustainable practices, driving value creation for stakeholders while upholding integrity and regulatory compliance.



OLIVIER ROUSSEAU

CHIEF EXECUTIVE OFFICER

OUR EXECUTIVE COMMITTEE



FREDERIC BARBIER

General Manager China & Asia Pacific



CAROLE GRASSI-MIRCICH

Chief Commercial Marketing & Innovation Officer



AKSHAY SINGH SARDAR

General Manager India



PIERRE-MICHEL BATAILLARD

Chief Human Resources Officer



FABIO INVERNIZZI

General Manager West



WILLIAM LEDGER

Chief Operating Officer



CAROLINE FUNCK

Group Legal Counsel



PHILIPPE POURQUERY

Chief Financial Officer

GLOBAL FOOTPRINT

Knowledge and strength of our worldwide network of 90 partners and distributors



SUSTAINABILITY AT SGD PHARMA

At SGD Pharma, sustainability management is a top priority. It is overseen by CEO Olivier Rousseau and the Executive Committee, who serve as both the highest governance body and as members of the Sustainability Committee. They meticulously review the company's ESG roadmap every quarter, ensuring alignment with the company's sustainability goals. Collaborating closely with leaders of SGD Pharma's corporate social responsibility (CSR) pillars, including the Health, Safety and Environment (HSE) Director, the Purchasing Director, the Human Resources (HR) team, the Legal team and the CSR team, they oversee the implementation of sustainability initiatives.

All contributors to the ESG action plan have part of their remuneration linked to CSR performance, which is externally assessed annually.

Through this collaborative approach, SGD Pharma remains committed to driving positive environmental and social impact while upholding the highest standards of corporate governance and ethical conduct.

At a working level, a dedicated CSR team is managed by the Quality & CSR Director. He reports to the Chief Operating Officer and ensures the implementation of sustainability initiatives and related reporting to all stakeholders.



OUR SUSTAINABILITY STRATEGY

SGD Pharma aspires to be a company that can grow its business while contributing to the sustainable development of society. We understand the importance of appropriate disclosure and communication with our stakeholders, including this report detailing our CSR efforts, progress and areas for improvement.

We have always supported sustainable actions and have been consistently compliant with all environmental, social and ethical requirements applicable to our operations.

In 2018, we defined the key pillars that reflect our approach, which are underpinned by our core purpose and values, making it easy for clients and other stakeholders to understand our CSR priorities. We identified the main challenges and risks associated with our activities through a materiality analysis. This enabled us to identify the most important ESG issues on which to focus and understand which issues are of most concern to our stakeholders and how they impact the business model (and vice versa).

In 2023, SGD Pharma implemented a comprehensive CSR policy aimed at fostering sustainable practices and positive social impact. By prioritising CSR, we demonstrate our dedication to creating long-term value not only for our stakeholders but also for the broader society, aligning our business goals with societal well-being and environment conservation.

Our CSR approach is based on three pillars:

- Our people, Our business values and
- Our environmental aspects



OUR PEOPLE

- Health and safety
- Career management and training
- Social dialogue and diversity



OUR BUSINESS VALUES

- Quality of service and competitiveness
- Business Ethics
- Sustainable Procurement



OUR ENVIRONMENTAL ASPECTS

- Energy consumption and greenhouse gases emissions
- Water and waste management
- Local and accidental pollution

POLICY MANAGEMENT

Each Group policy is written by the corresponding head of department. It is then revised by the Executive Committee member responsible for that department, and the CEO. Before publication, the policy is presented to the Executive Committee for information and review. The final version is dated and signed by the Executive Committee member and the CEO.

The Marketing & Communication Department is in charge of publishing the policy and internally promoting it, producing posters to display the new policy. If appropriate, the head of department will arrange specific communications and/or training. Each department or plant head is responsible for displaying the new policy. A routine review of existing policies is set every three years to check if any updates are needed. This revision process is the responsibility of the head of department who issued the policy.

In addition, all current policies will be revised before the end of 2024 to refresh them and to add details regarding their implementation, governance and allocation of responsibilities, as requested by EcoVadis.





LAURENT MILLET

GROUP QUALITY & CSR DIRECTOR

INTERVIEW

"We took the opportunity in 2023 to define a CSR strategy with a roadmap for 2023-2027, involving our Executive Committee members.

Each of them endorsed the role of sponsor of CSR actions in their scope of responsibility. This has allowed us to make progress in governance, social, environmental, ethical and sustainable procurement matters.

We also defined a yearly calendar for periodic reviews of our progress regarding CSR actions.

Our CEO signed a CSR policy, providing guidance for the Group. Meanwhile, our strategy for our decarbonisation trajectory and corresponding CapEx was validated by our shareholder in the third quarter of 2023, allowing us to make a commitment to the Science Based Targets initiative (SBTi) in the fourth quarter.

As the CDP updated our climate rating in July, this massive improvement in environmental strategy was not taken into account, which was a little disappointing for us.

However, our EcoVadis rating did capture this. Our score from EcoVadis, which continued to be Gold, increased from 75/100 in 2022 to 78/100, and we are proud of this result.

We take care to always be responsive to our customers, who maintained their interest in anti-corruption, ethics and human rights, and significantly increased their interest in our decarbonisation strategy and action plan.

Towards the end of the year, we undertook a customer survey at the Group level for which the results, due in early 2024, will allow us to better address our customers' needs.

As care for our employees' is key for us, we launched an employee engagement survey in late 2023; the outcome of this will be included in our 2024 priorities action plan.

We continue to progress with our biodiversity action in China, which has been recognised by the French Chamber of Industry in the country.

Finally, by engaging with our suppliers, we are building up a picture of their level of involvement with CSR issues to help support their improvement."

STAKEHOLDER ENGAGEMENT

We place great emphasis on stakeholder engagement as a cornerstone of our business strategy. Recognising the importance of fostering mutually beneficial relationships, SGD Pharma actively engages with a diverse range of stakeholders, including customers, employees, suppliers, local communities and investors. Through open dialogue, transparent communication and collaboration, we seek to understand and address the unique needs, concerns and expectations of each stakeholder group. By incorporating stakeholder feedback into our decision-making processes and business operations, we aim to cultivate trust, enhance our reputation and drive sustainable growth. Whether through product innovation, employee development programmes or community initiatives, SGD Pharma is dedicated to creating shared value and fostering long-term partnerships with all our stakeholders.

SGD Pharma is active in the following associations:

- Parenteral Drug Association (PDA) – USA
- La Fédération des Industries du Verre – France
- Union des Industries Utilisatrices d'Énergie (UNIDEN) – France
- FEVE, The European Container Glass Federation – France, Belgium
- Observatoire des Achats Responsables (ObsAR) – France
- Bundesverband Glasindustrie – Germany
- Bundesverband Arbeitgeberindustrie Glas und Solar – Germany
- Fédération du Cristal et du Verre – France
- La Glass Vallée – France
- French Chamber of Commerce and Industry – China
- Zhanjiang Mangrove Wetland Conservation Federation – China
- UN Global Compact – France

OUR CERTIFICATION

At SGD Pharma, we demonstrate our commitment to maintaining the highest standards of quality and sustainability by seeking ISO certifications across our global sites. These certifications are a testimony to SGD Pharma's dedication to meet and exceed industry standards. Achieving these certifications reflects our proactive approach to quality control, environmental commitment and continuous improvement. Through rigorous audits and adherence to international standards, SGD Pharma ensures the safety, reliability and sustainability of our packaging solutions, reinforcing our position as a trusted leader in the pharmaceutical packaging industry.

We also exemplify our commitment to ethical and responsible business practices by focusing on securing SA8000 certification for our plant in China. This globally recognised standard demonstrates our dedication to social accountability, including workers' rights, good workplace conditions and high-quality management systems. By achieving SA8000 certification, we underscore our resolve to uphold the highest standards of social responsibility across our operations. At the beginning of 2024, SGD Pharma's plant in India received its SA8000 certificate.

	Sucy, France	Saint-Quentin-Lamotte, France	Kipfenberg, Germany	Zhanjiang, China	Vemula, India
ISO 14001	X	X	X	X	X
ISO 50001	In progress	X	X	X	X
ISO 45001	X	X	X	X	X
ISO 9001	X	X	X	X	X
ISO 15378	X	X	X	X	X
SA8000				X	In progress



RAVI BUDDHA

PLANT DIRECTOR AT THE SITE IN VEMULA, INDIA




"SA8000 certification in Vemula is a major step towards inclusive growth of all stakeholders of the organisation. It ensures compliance and transparency and demonstrates management commitment to adopt best practices for our people's welfare and bring parity at all levels of employees. I am sure this will usher a new wave of confidence in both internal and external customers and help us progress faster."

RISKS AND PERFORMANCE

RISKS ASSOCIATED WITH MATERIAL TOPICS

We have identified the risks that we must address in accordance with the UN Sustainable Development Goals. We update our issue analysis each year to ensure that our priorities remain aligned with stakeholder expectations, market trends, and business risks and opportunities.

Each of our CSR pillars can be broken down into several associated risks. Throughout this report, we outline our response to each of these issues and the strategies and actions we plan to apply.

CSR PILLAR	MATERIAL TOPICS	RISKS ASSOCIATED
 OUR PEOPLE	Health and safety	Employees can be exposed to accidental events during our industrial processes. Our top priority is to ensure their health and safety by identifying these risks and putting measures in place to mitigate them. (more details p.29)
	Career management and training	Identifying, attracting, developing and retaining talent is crucial for our success and prosperity. (more details p.22)
	Social dialogue and diversity	We must ensure that we provide a workplace free of harassment and discrimination to create a safe atmosphere for all employees. (more details p.28)
 OUR BUSINESS VALUES	Quality of service and competitiveness	We know that our products can be used for life-saving treatments. It is therefore critical that production remains of the highest quality and minimises defects. (more details p.48)
	Business Ethics	Third parties and employees must conduct business in accordance with SGD Pharma's Code of Ethics and Business Conduct to prevent risks of corruption and bribery. (more details p.41)
	Sustainable Procurement	How our suppliers conduct business is also important to us. We carefully choose who to partner with based on their quality, reliability and values. (more details p.53)
 OUR ENVIRONMENTAL ASPECTS	Energy consumption and greenhouse gas emissions	We must ensure we invest in the best technologies available in order to reduce our energy consumption and minimise CO ₂ emissions at all our sites. (more details p.62)
	Climate Change Adaptation	We need to adapt to potential risks to our activities caused by climate change. (more details p.62)
	Reuse, waste and water	Given the scarcity of resources, the way we use natural resources can threaten the efficiency of our industrial process. (more details p.74)
	Local and accidental pollution prevention	Our operations are associated with various industrial risks that can impact the environment near our industrial plants, such as human or technical failure in the operation of our facilities, fires, explosions, effluent discharge or hazardous chemical spills. (more details p.79)

02

OUR PEOPLE

TARGETS

ZERO severe accidents by 2025

- of operational sites with health and safety and social management certificates (ISO 45001 or SA8000 for sites outside of EU) by 2025
- of managers & professionals' positions will be graded with a universal methodology and benchmarked with compensation market reference by 2025
- The French gender equality index will be deployed in 100% of our locations by 2025
- of our managers will participate to the new management training curriculum by 2026

100%



MAIN KEY PERFORMANCE

3,063

TOTAL EMPLOYEES

25

HOURS OF TRAINING ON AVERAGE PER EMPLOYEE

28%

MANAGEMENT POSITIONS HELD BY WOMEN

2.61

FR1 * INDEX FOR THE GROUP

3.99

FR2 ** INDEX FOR THE GROUP

* FR1 is Injury Frequency Rate (number of lost time accidents/ hours worked x 1,000,000); headcount for calculation includes temporary workers, apprentices and interns)

** FR2 is Injury Frequency Rate, which counts all reported workplace accidents, even those that did not result in lost time (Number of accidents reported/hours worked x 1,000,000))



PIERRE-MICHEL BATAILLARD

CHIEF HUMAN RESOURCES OFFICER

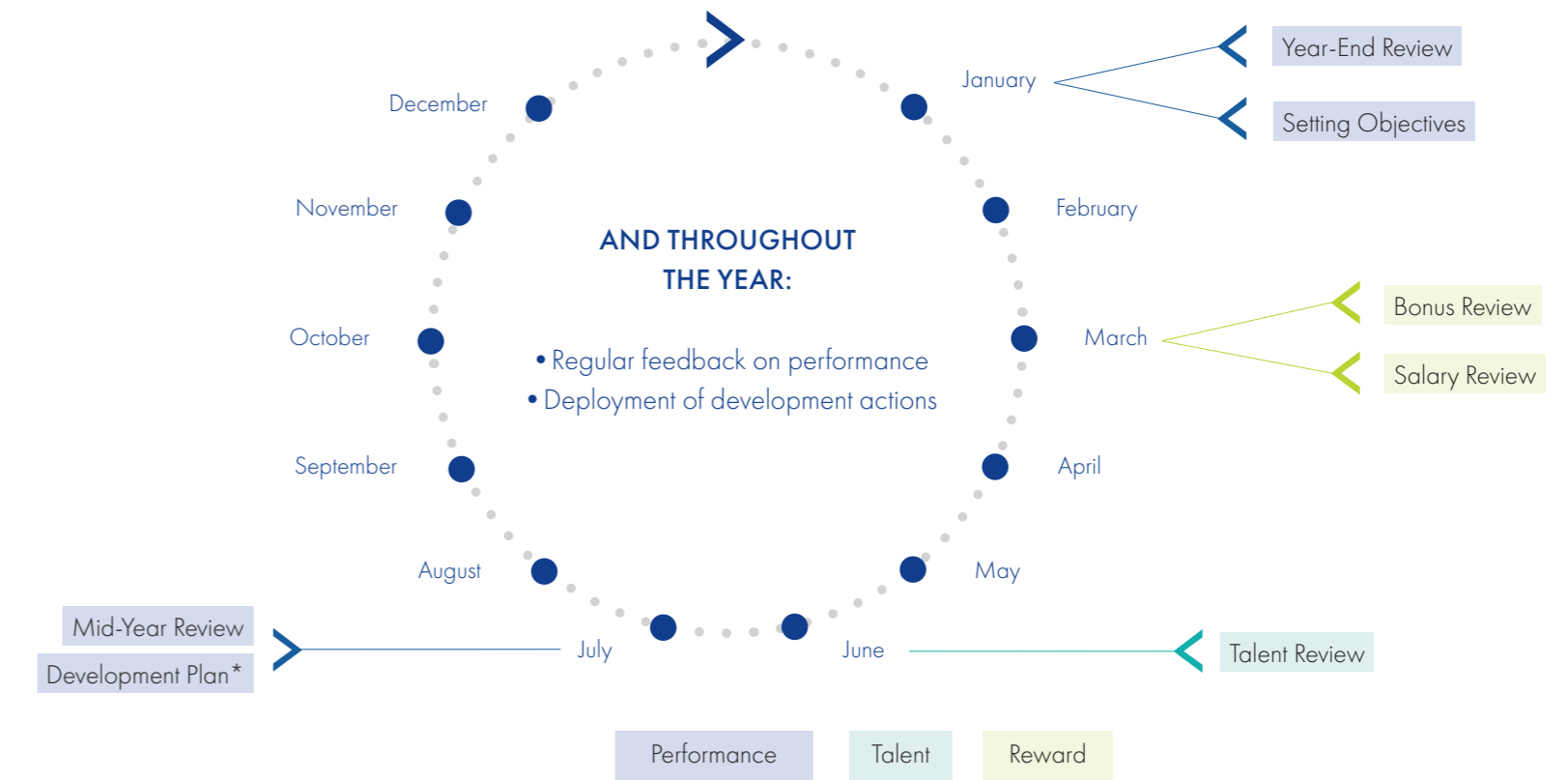
INTERVIEW

"In 2023, we have focused our efforts on actions that contribute to two of our priorities: gender equality and inclusion in our workplace; and work/life quality and employee well-being. On the first point, we signed an important agreement with the main union in France covering equality and inclusion. This agreement contains commitments and action plans for equality in our HR processes (regarding hiring, compensation and professional development), support to parents, prevention of harassment and the integration of disabled employees. In France, our gender equality index increased by 8 points in 2023 to reach 83 out of 100. At SSV, our inspection subsidiary, this index is 90. We also became members of the UN Target Gender Equality (TGE) programme. This topic is further discussed on pages 27-29 of this report. For work/life quality and employee well-being, we signed another agreement in France covering health and safety at work, understanding and purpose of work, the work environment, quality of management

and work/life balance, among other things. In November, we launched an engagement survey in Europe and the USA, including 1,200 employees across five countries. The participation reached an excellent 65%, despite most of our employees lacking a professional email address. This survey provides us with clear measurement of engagement and its various components; it will also allow us to define and deploy action plans in all our locations, to optimise employee engagement and well-being by means of a continuous improvement approach. In 2023, we also launched an important initiative for our corporate culture: our new corporate values. Customer, People, Excellence and One team have been defined with a group of managers as our values as a company. Each value has been defined and, for each, we have also identified the associated expected behaviours. By doing so, we have a clear compass to help all our employees demonstrate the right behaviours to all our internal and external stakeholders, in line with our vision and strategy."

ANNUAL HR CYCLE

The annual HR cycle is our integrated approach to people development supported by SAP SuccessFactors, our global HR information system. It covers performance management, talent development and reward. It is also a managerial commitment: to spend quality time throughout the year with our people, have an open dialogue on their development, ensure a fair assessment of their performance, and invest in their development.



*Development Plan : the DP contains training and other development actions for each employee.

CAREER DEVELOPMENT AND MOBILITY

At SGD Pharma, we have designed an Annual HR cycle, an integrated approach to our people's development that covers management of individual performance, talent development and compensation. This cycle is a strong commitment and an important process to mobilise employees, managers and the HR team throughout the year.

Having the right skills available for every position is not always an option, meaning that we need to consider training as a key priority. Training not only supports product quality, but it also contributes to employees' safety and engagement and helps offer attractive careers in our company. Besides training, our development plans can also involve mentoring, coaching, assignment on specific missions, internal mobility, etc.

WORKFORCE COMPOSITION (2023)

Sucy, France	SQLM & SSV, France	Kipfenberg, Germany	Zhanjiang, China	Vemula, India	Other locations	Total
Number of employees						
425	381	263	868	926	200	3,063
Number of permanent employees						
366	345	260	590	566	199	2,330
Number of temporary employees						
59	32	3	278	360	1	733
Number of full-time employees						
421	366	NA	NA	NA	200	987
Number of part-time employees						
4	15	NA	NA	NA	1	20

REGULAR ASSESSMENT OF INDIVIDUAL PERFORMANCE

We are committed to fostering a culture of excellence and recognition, and we integrate annual performance assessments and salary reviews into our structured HR cycle. This systematic approach ensures that the professional achievements and contributions of our employees are accurately evaluated and duly rewarded. By aligning these evaluations with our organisational goals, we not only reinforce our dedication to personal and career development but also maintain a transparent and meritocratic environment.

TALENT REVIEW

SGD Pharma undertakes a comprehensive talent review annually. This is a cornerstone of our strategic HR planning and development process. The annual review carefully evaluates employees based on their performance, potential and alignment with our organisational goals and serves as a critical mechanism for identifying and nurturing talent within the organisation. Following this evaluation, we devise tailored development plans, which may encompass opportunities for mobility, specialised training, project assignments and mentoring programmes. We also prepare succession plans to prepare for the future and mitigate risks of key people leaving. This proactive approach ensures that we not only recognise and cultivate the talents of our workforce but also strategically position the company for future growth and innovation.

TRAINING

SGD Pharma has set-up modern infrastructure to train our people and meet our commitments to our customers and their patients. Competency matrices are deployed throughout the company to measure potential skill gaps and deploy relevant training plans adapted to every situation. These matrices also contribute to employees' motivation and development. Training can be formal or on the job, and can be delivered by our internal trainers (available in our five plants) or purchased from external partners. Over the last four years, we have also developed digital training programmes on our 360-degree learning platform. We have more than 100 internal trainers leveraging this platform.

With 78,300 hours of training delivered in 2023, an average of 25 hours per employee, we are investing significantly in the skills and development of our people. To further improve this investment, we are currently preparing a new training curriculum for managerial training, ranging from proximity managers to leaders of the company. We are continually renovating our training centres in our plants, and Sucy will open its new centre in the first quarter of 2024.

In addition, a central goal for our training plan is to guarantee that every employee participates in at least one training course annually, reinforcing our commitment to personal and professional development. This approach not only aligns with our strategic imperatives but also helps to lay a common methodological foundation across the Group, fostering a sense of unity and shared purpose across our workforce.

WELLBEING AT WORK AND RECOGNITION

EMPLOYEE ENGAGEMENT SURVEY

In November 2023, SGD Pharma conducted a comprehensive employee engagement survey called 'Your Voice', which successfully involved over 1,200 employees across Europe (in France, Italy, Spain and Germany) and the USA. With a participation rate of 65%, the survey aimed to delve into critical aspects of our work environment, including safety, work/life balance, customer relations and management of products and services. This initiative underscores SGD Pharma's commitment to creating a workplace that listens and responds to the needs and opinions of our workforce. The survey will trigger the creation and deployment of action plans adapted to the specific situation of each location in the Group.

In coming years, we aim to conduct similar surveys in our sites in India and China, to have a full picture of our workforce's views and needs.

COLLECTIVE AGREEMENTS ON PROFESSIONAL EQUALITY AND WORK/LIFE QUALITY

In 2023, SGD Pharma reaffirmed its dedication to being a responsible employer through the signing of two pivotal collective agreements, highlighting the company's commitment to fostering a collaborative and inclusive work environment. Recognising the importance of employee involvement, we initiated working groups from each site at the onset of this process, ensuring wide representation in the dialogue. On 13 December 2023, these discussions led to a landmark agreement with the CFDT trade union, signing off on two critical areas: professional equality and diversity, and quality of life and working conditions.

The professional equality-diversity agreement underlines SGD Pharma's ongoing efforts to uphold professional equality between genders, ensure equal pay for equal work and foster gender diversity. It also highlights the company's inclusive approach to employees with disabilities, aiming for their successful integration and retention. A significant focus is placed on combating sexist behaviour and discrimination in any form, alongside enhancing support for parenting employees.

The agreement on quality of life and working conditions addresses factors such as health and safety, significance of work, the working environment, management quality and the balance between professional and personal life. The measures it includes are designed to create a healthier and more engaging professional setting for all employees. An example of concrete action contained in the agreement is the email policy preventing emails on weekends and outside normal office hours, to make sure that employees can disconnect from their professional environment.

FLEXIBLE ORGANISATION AT WORK

In line with SGD Pharma's ongoing commitment to sustainability and employee well-being, we are pleased to affirm the establishment of a formalised remote work policy within the quality of life and working conditions agreement. While the option for remote work has long been available, its incorporation into our official policies underscores our dedication to providing a supportive and flexible work environment for our office staff.



BIRTHDAY AND HOLIDAY CELEBRATIONS

We believe in celebrating both professional achievements and personal milestones, including birthdays and holidays, to foster a sense of community among our team members. Birthday celebrations are a cherished tradition within our company, where colleagues come together to honour and recognise each other on their special day.

Additionally, holidays are a time for joy and reflection at SGD Pharma. From festive decorations adorning our offices to themed events and activities, we embrace the spirit of the season and create memorable experiences for our employees. Whether celebrating traditional holidays or cultural observances, our diverse workforce comes together to share in the festivities, strengthening bonds and creating lasting memories.

SPORT EVENTS

We understand the importance of fostering team spirit at the workplace. That's why we were thrilled to support and participate in the exciting cricket tournament held in India from 23-26 January 2023. With 16 teams competing, the atmosphere was charged with excitement and anticipation. The morale among our team members was at an all-time high, with everyone displaying optimism and enthusiasm for the tournament.

SGD Pharma Asia Pacific also embraces this group culture to foster teamwork and a spirit of achievement. Several sport competitions are organised each year in collaboration with employee representatives.



DIVERSITY AND INCLUSION

CYRINE FIEVEZ

GROUP COMPENSATION & BENEFITS MANAGER

"We are deeply committed to fostering a workplace culture that champions diversity and inclusion at every level. As part of this commitment, we are proud to engage in initiatives such as the Target Gender Equality (TGE) programme and the signing of the Women's Empowerment Principles (WEPs).

Doing so helps reaffirm our dedication to creating a workplace where everyone, regardless of gender, ethnicity or background, feels valued, respected and empowered to contribute their best. By actively participating in these programmes, SGD Pharma not only demonstrates its commitment to diversity and inclusion but also takes tangible steps towards creating a more equitable and inclusive environment for all employees. These initiatives serve as catalysts for meaningful change, driving us to continually improve and innovate in our approach to diversity and inclusion. We believe that by embracing diversity and fostering an inclusive workplace, we not only strengthen our organisation but also enrich the experiences of our employees, clients and communities. Participation in programmes like TGE and WEPs serves as a powerful reminder of the positive impact we can achieve when we come together with a shared vision of equality and empowerment."

VIKTORIA DIANOVA

GROUP CSR COORDINATOR

"Diversity, and specifically gender equality, is an important part of sustainable development. At SGD Pharma, we want to make sure that we provide equal opportunities to all genders as well as provide support to all females. Participation in the Target Gender Equality programme, organised by the UN Global Compact, was a big boost for us to learn more about how to create a strategy focused on gender equity. Our further commitment to the Women's Empowerment Principles, organised by UN Women and the UN Global Compact, demonstrates our attitude to this topic and our desire to implement actions supporting equal opportunities."





THE TARGET GENDER EQUALITY PROGRAMME

One of our main social goals is to achieve gender equality. In 2023, we became involved in the TGE programme, creating a roadmap for the coming years that sets out how we'll make sure everyone has the same opportunities. This programme also inspired us to commit to the Women's Empowerment Principles, showing our dedication to making positive changes.

The WEPs are a set of guidelines designed to help businesses promote gender equality and women's empowerment in the workplace, marketplace and community. Developed through a partnership between UN Women and the UN Global Compact, the WEPs encourage companies to build inclusive systems that offer women equal opportunities for leadership and participation. They represent a global effort to ensure fair treatment and empowerment for all women and girls, aiming for a world where gender equality is the norm in every business and organisation.

This move is much more than a formal agreement; it's a testament to our belief in creating a workplace where everyone, regardless of gender, has an equal shot at success. As our CEO puts it, "Women's empowerment is not an option but a necessity: both halves of humanity must have equal rights in the business world, and companies need talented men and women to succeed."

AWARENESS TRAINING ON HARASSMENT ISSUES, VEMULA, INDIA

SGD Pharma is deeply committed to nurturing a workplace where everyone feels safe and respected. That's why we've rolled out awareness training at our plant in Vemula, India focused on harassment issues, going beyond the basics to ensure every team member truly understands what it means to support and protect one another. This training makes sure that respect and safety aren't just policies, but principles we live by every day. It's about ensuring that we care for and respect each other in the workplace, embodying the values that make SGD Pharma a great place to be.

INCLUSION OF EMPLOYEES WITH DISABILITIES, ZHANJIANG, CHINA

SGD Pharma's APAC Business Unit has been at the forefront of fostering inclusivity and empowerment, especially for individuals with disabilities. Since 2017, our partnership with the Zhanjiang school for the disabled has been a cornerstone of this commitment. Over the past six years, this collaboration has led to the hiring directly from the school of 20 talented individuals with hearing disabilities. Ten of these employees are still part of our team today, and we're always looking to welcome more whenever possible. This relationship has not only made SGD Pharma the second-largest source of employment for the school's graduates but also their preferred employer.

HEALTH AND SAFETY MAIN RESULTS

2.61 FR1

17 LTA

3.99 FR2

26 NLTA + LTA

5 ISO 45001 CERTIFIED PLANTS

FR1: Injury Frequency Rate (number of Lost Time Accidents/hours worked x 1 000 000) - LTA – Lost Time Accidents - FR2 is Injury Frequency Rate, which counts all reported workplace accidents, even those that did not result in lost time (Number of accidents reported/hours worked x 1,000,000 - LTA – Lost Time Accidents, NLTA – Non-Lost Time Accidents"))

EHS MATURITY MATRIX

It is a company-wide imperative to make health and safety our top priority because our employees' ability to perform their job well depends on their physical health and their safety and security at work. During our business activities, our employees are at risk from accidents or events that could have adverse consequences for their health or safety, such as cuts, burns or exposure to noise or potentially dangerous machinery.

Every year, the Group organises various events and initiatives with the aim to reduce the number of incidents at work. In 2023, our Environmental, Health and Safety (EHS) team undertook 1,954 such actions. SGD Pharma has developed an internal tool, the EHS Maturity Matrix, to support this activity. Each plant is audited and scored annually against the Group's 50 requirements. Our Global EHS Maturity Matrix score improved from 86% in 2022 to 88% in 2023 (up from a score of 67% in 2019). In addition, we continued to deploy our SGD Pharma TOP 20-25 Operation Excellence initiative to promote employee engagement with safety and quality, using strong performance control systems and assessing problem-solving skills.

OUR HEALTH AND SAFETY POLICY

In 2023, SGD Pharma formalised and implemented our new health, safety, environment and energy (HSEE) policy. The aim of this policy is to work towards achieving zero accidents and to integrate our environmental and energy management guidelines.

In terms of safety and prevention, 10 golden rules have been defined at Group level, applicable at every site, and are the subject of events integrated into Safety Week, with the active participation of members of the Executive Committee.

We're on a mission to reduce accidents and work-related illnesses, making sure everyone who works with us feels secure and valued. It's all about going above and beyond the usual safety standards, aiming to cut down serious risks and eliminate unsafe habits. We're serious about making sure everyone on our team knows the ins and outs of staying safe, from recognising risks to knowing what to do if something doesn't seem right. Our approach is comprehensive: we don't just want to meet safety standards – we want to set new ones. This policy reflects our commitment to taking care of our people and our environmental impacts, while being mindful of how we use our resources. It's how we show that health and safety are at the heart of everything we do at SGD Pharma.

ISO 45001

ISO 45001 certification is a global standard for occupational health and safety management systems. It aims to help organisations create a safer and healthier workplace by reducing workplace risks and enhancing employee safety. All five of our operational sites in India, China, Germany and France have successfully achieved ISO 45001 certification. This certification is part of our ongoing effort to prioritise and improve workplace safety, reflecting our dedication to protecting our team members at every level of operation.

SAFETY WEEK

Our commitment to ensuring a safe work environment is highlighted by our belief that achieving zero accidents is entirely in our hands. Once again this year, we brought this commitment to life during Safety Week, which took place from 12-16 June 2023 across all our global facilities. This week was a focused effort, involving every employee, to enhance safety awareness, share effective practices and reinforce a culture of safety throughout our organisation.

The activities ranged from engaging and interactive workshops to motivational talks, all designed to equip our team with the knowledge and skills to safeguard their own well-being and that of their colleagues. By reflecting on Safety Week, we're reminded of the power of collective action in creating a workplace that's not only safer but also healthier and more productive. It's a testament to our dedication to transforming our commitment to safety into tangible practices, emphasising the role everyone plays in maintaining a secure working environment. The motto of this Safety Week was 'Zero accidents is in our hands'. This highlights our approach to health and safety at SGD Pharma: we encourage everyone to take care of themselves and their colleagues to prevent accidents in the workplace.



EMERGENCY ACTION PLAN

At SGD Pharma, the safety of our employees is paramount, which is why we have a comprehensive emergency action plan in place. The essence of this plan is to ensure swift and secure evacuation in the face of immediate dangers, such as fire, gas leaks or other hazardous situations, by guiding everyone to designated safety zones. Our approach is both practical and proactive, with detailed sectorisation of the workplace ensuring that every area is covered. Each sector is equipped with evacuation leaders, trained to guide and support during emergencies, alongside regular drills to keep our readiness high.

At the Sucey plant, significant steps have been taken to enhance emergency fire response and prevention measures. These include the systematic refurbishment of the fire emergency equipment and the optimisation of fire response tools specifically designed for handling glass-related incidents. Additionally, the fire station on site has been fully updated, and essential fire-fighting equipment has been replenished. The team has also focused on strengthening human resources through intensive training of new emergency response teams and regular refresher courses. Collaborative efforts with the local fire department include joint drills and the revision of the internal emergency operation plan, enhancing the plant's readiness and resilience. This robust approach ensures both the preparedness and safety of the Sucey plant, aligning with SGD Pharma's stringent safety protocols and commitment to protecting our workforce and operations.



FIRST AID TRAINING IN CHINA, ZHANJIANG

From 20 to 28 October 2023, our Zhanjiang plant took a significant step in enhancing workplace safety by hosting a comprehensive first aid training programme, in collaboration with the Red Cross Society of Zhanjiang. This initiative aimed to equip our team with crucial emergency rescue knowledge and skills, covering a range of vital topics from the basics of the Red Cross movement and new rescue concepts to practical skills like cardiopulmonary resuscitation (CPR), operating automatic external defibrillators, managing airway obstructions, and the Heimlich manoeuvre. The training blended theoretical learning with hands-on simulation, ensuring that participants not only understood the concepts but could also apply them in real-life situations. Following a 'theory plus simulation' assessment, successful participants received first aider certificates, marking their proficiency in emergency response. Over two sessions, a total of 75 people from our plant completed the training and earned their certification, significantly strengthening our commitment to maintaining a safe and responsive work environment.

AWARENESS TRAINING ON HYPERTENSION ILLNESSES

During 2023, we demonstrated our commitment to employee health and well-being by focusing on the prevalent issue of hypertension, or high blood pressure. Recognising the importance of prevention and early detection, we invited doctors from third-party hospitals to conduct on-site health training sessions on hypertension prevention. These sessions aimed to educate our employees about the risks, prevention strategies and management of hypertension, emphasising the significance of maintaining a healthy lifestyle. Additionally, to support our employees further, we provided self-blood-test kits for those diagnosed with or at risk of hypertension. This initiative not only offered them a convenient and discreet way to monitor their condition but also highlighted our dedication to fostering a health-conscious work environment. Through these efforts, we strive to ensure the well-being of our workforce, acknowledging that a healthy employee is at the heart of a healthy organisation.

CHINA-BASED EMPLOYEES SIGN THE SAFETY AND PRODUCTION RESPONSIBILITY LETTER

On 2 February 2023, we took an important step to underscore our commitment to safety by holding a safety production meeting to kick off the resumption of production after the COVID-19 lockdown. This meeting was a pivotal moment, where management and department heads led by example, signing the safety production responsibility letter on the spot. Following the meeting, department heads took the initiative to organise and ensure all other employees signed the letter as well, demonstrating a collective commitment to safety across the board.

By promoting a culture of self-discipline around safety responsibilities, we aim to significantly reduce the risk of accidents, ensuring that every team member not only understands their role in maintaining a safe work environment but also actively contributes to it. Through continuous supervision and encouragement of safety awareness, we strive to protect our workforce and reinforce our core belief in the paramount importance of safety in production work.



SAFETY PRODUCTION MONTH, ZHANJIANG, CHINA

In June 2023, our plant in China marked an important period in its calendar: 'Safety Production Month'. With a mission to reinforce safety awareness, responsibility and emergency response capabilities among its employees, SGD Pharma Asia Pacific embarked on a comprehensive initiative to cultivate an environment where safety is a collective priority.

The company organised a diverse range of safety-centric activities, engaging over 600 participants in processes that not only bolstered their understanding of safety practices but also fostered a culture of mutual care and vigilance. From employing multimedia channels – such as videos, banners, posters and the distribution of 1,000 custom souvenirs – to online dialogues with the Group Chief Operating Officer Christophe Muguet and interactive ceremonies, SGD Pharma made sure every voice was heard and every hand was involved.

The initiative included specialised safety training sessions covering mechanical safety, confined space operations, and high-temperature work, along with emergency drills to enhance readiness for potential hazards. In addition, the plant embraced innovative engagement methods, such as competitions and the 'Zero accidents are in our hands' micro-video challenge, which involved the participation of 16 departments, making safety not just a directive but a shared value. These efforts, led by the EHS Department, exemplify SGD Pharma's unwavering commitment to maintaining a safe, supportive and responsive work environment, demonstrating that when it comes to safety, collective action can lead to collective security.



365

DAYS OF NO LOST TIME ACCIDENTS

Our plant in Kipfenberg, Germany is proud to have reached 365 days without any lost time accidents. SGD Pharma has an ongoing commitment to the safety of all our employees. We will continue to work on identifying and preventing hazards to further reduce the risk of accidents. Our goal is zero accidents across all our glass manufacturing sites worldwide. Congratulations to all the employees of SGD Pharma Kipfenberg for their unwavering focus on safety, every day and in every shift.

818

DAYS OF NO LOST TIME ACCIDENTS,
ZHANJIANG, CHINA

Between 29 July 2021 and 24 October 2023, the Zhanjiang facility achieved a remarkable result: 818 consecutive days of operation without a lost time accident. This milestone is a testament to the plant's solid safety culture and the collective commitment of its employees who, through their daily diligence and adherence to safety protocols, have made such an achievement possible.

To honour this significant achievement and to further inspire its workforce towards maintaining a zero-accident environment, the Zhanjiang plant hosted a celebratory event on 25 October. This celebration reflected our strong safety roadmap. It recognised the result of every employee's commitment to safety, evident in their everyday actions and decisions.

SGD Pharma's commitment to employee safety is unchangeable. The Zhanjiang plant precisely follows the group's EHS guidelines, implements systematic safety risk management strategies, and engages in comprehensive training programmes that involve every department and employee. This disciplined approach to safety underscores the plant's commitment to not just maintaining but continuously improving its safety records. As we celebrate this milestone, SGD Pharma remains dedicated to enhancing safety risk identification and prevention efforts, reducing accident risks further, and steadfastly pursuing the goal of zero accidents.

888

DAYS OF NO LOST TIME ACCIDENTS,
SAINT-QUENTIN-LAMOTTE, FRANCE

In 2023, SGD Pharma's Saint-Quentin-Lamotte plant in France celebrated an extraordinary milestone: achieving 888 days without a lost time accident. This significant achievement underscores SGD Pharma's commitment to employee safety, playing a crucial role in ensuring uninterrupted glass production.

Across all our locations, we are deeply committed to providing comprehensive health and safety training tailored to identify potential hazards and empower our workforce with the knowledge and tools needed to minimise risks. This culture of safety is not just about adhering to standards; it's about fostering an environment where every member of our team feels valued and protected, enabling us to maintain excellence in our operations and uphold our responsibility towards our employees and the communities we serve.



THOMAS GODART

SAINT-QUENTIN-LAMOTTE
PLANT DIRECTOR

"In 2023, the SQLM site celebrated a new record of 888 days without a lost time accident. This is a major record since we started measuring the number of uninterrupted days between lost time accidents. This is a hard target to reach in the glass industry. The work we do poses risks associated with cuts, burns, electricity management, moving machinery and molten glass in furnaces. We do our utmost to provide our teams with a safe environment (with protective equipment and clothing, risk training, etc.). However, in a sector such as ours, it takes discipline and the contribution of everyone to achieve such a result. All operational meetings begin with a safety briefing. In addition, we have implemented a policy of raising awareness and empowering each and every one of our employees. Safety is at the heart of everything we do here at Saint-Quentin-Lamotte and is an integral part of the SGD Pharma Group culture. SGD Pharma celebrates safety milestones on a regular basis and we organise an annual Safety Week to raise awareness of health and safety issues among all those involved."

03

OUR BUSINESS VALUES

TARGETS

100%

- of buyers trained on conflict minerals in 2024
- of critical suppliers assessed through a CSR questionnaire by 2025
- of critical suppliers sign Business Code of Conduct and Ethics by 2025



MAIN KPIS

93%

AT-RISK EMPLOYEES ACROSS ALL LOCATIONS WHO RECEIVED TRAINING (E.G., E-LEARNING) ON BUSINESS ETHICS ISSUES

0

NUMBER OF RECEIVABLE ALERTS REPORTED THROUGH WHISTLEBLOWING HOTLINES

100%

OF CRITICAL SUPPLIERS ASSESSED THROUGH DOW JONES

93%

OF CRITICAL SUPPLIERS HAVE BEEN ASSESSED VIA A CSR QUESTIONNAIRE

100%

OF CRITICAL SUPPLIERS HAVE CSR CLAUSES IN THEIR CONTRACTS

97%

OF CRITICAL SUPPLIERS HAVE SIGNED OUR BUSINESS CODE OF CONDUCT AND ETHICS

53%

OF CRITICAL SUPPLIERS FOR WHICH CONFLICT MINERAL INFORMATION IS AVAILABLE



CAROLINE FUNCK

GROUP LEGAL COUNSEL

INTERVIEW

"The last year has been one of important progress and achievements in terms of implementation of our SGD Pharma Ethics and Compliance programme, fulfilling the objectives that we had set for 2023.

We have defined a clear Ethics and Compliance roadmap for the period 2023-2025, which has been validated by our majority shareholder. To this end, our set of policies has been strengthened by the adoption and deployment at Group level of two new policies against fraud and conflicts of interest.

Our existing whistleblowing procedure has also been fully reviewed and updated to comply with new local regulations in France and Germany. Our gifts and entertainment policy has been adapted in some geographies to better meet local thresholds and legal constraints.

In parallel, we have relaunched and modernised our e-learning programme, with the introduction of three new specific global courses on anti-bribery and anti-

corruption, fraud awareness and detection, and business gifts and entertainment.

We also held in-person training sessions on compliance of SGD Pharma activities with competition law worldwide in our three business units, endorsed by an individual declaration form.

In total, by the end of 2023, 93% of our most exposed employees have been trained in competition law and 92% trained on our three new e-learning courses, with a success rate of 90%.

In 2024, we will continue the efforts we began in 2023 to strengthen and consolidate our Ethics and Compliance programme with the arrival of our Group Compliance Officer, the overhaul of our global anti-corruption risk mapping, with a corruption risk assessment covering 100% of Group sites and the adoption of an associated action plan aimed at closing existing gaps, increasing our external CSR rating and meeting the requirements of our business partners."



COMPLIANCE AND ANTI-CORRUPTION

OUR CODE OF BUSINESS CONDUCT AND ETHICS

We updated our Code of Business Conduct and Ethics in 2023 to ensure that all our actions at SGD Pharma align with the latest laws and regulations and embody our dedication to running a business with integrity and responsibility. We made this code accessible in four languages – French, English, German and Chinese – making it easier for our employees across the globe to understand and apply our values in their daily work.

This code touches on everything important to us: treating our employees with respect and dignity; keeping personal, sensitive and confidential information safe; looking after health and safety and preserving the environment; steering clear of conflicts of interest; saying no to corruption and fraud; competing fairly; ensuring our partners share our ethical standards; and making sure our employees can speak up freely and without fear of any retaliation if SGD Pharma's activity, wherever it is carried out, is not conducted in accordance with the applicable regulations and the Group's values. It is a comprehensive guide that every person working for or with SGD Pharma must follow, helping us maintain a culture of 'doing the right thing all the time', where ethical behaviour is just how we do things.

ANTI-FRAUD POLICY

In 2023, we introduced a rigorous anti-fraud policy, reflecting our strong commitment to ethical and transparent operations. This policy is designed to provide clear guidance on the behaviours and practices expected to prevent, identify and eliminate fraudulent activities across the organisation.

Applicable to all direct employees and those at SGD Pharma Group subsidiaries and affiliated entities, this policy underscores the necessity for vigilance and accountability in protecting the company's assets and reputation. It includes comprehensive awareness-raising, training and information dissemination efforts.

In addition, the policy specifies a straightforward process for reporting any suspicious conduct, enabling prompt and effective measures to combat fraud. With the adoption of this policy, SGD Pharma reinforces its commitment to the highest ethical standards and the safeguarding of its business from fraud-related risks.

POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICT OF INTEREST

In 2023, we also formally adopted a policy to prevent and manage conflicts of interest across the group, aiming to uphold the integrity and fairness of our operations. This policy addresses the need to recognise and handle situations where an employee's personal interests might clash with the interests of SGD Pharma and its stakeholders. Examples include giving preferential treatment to certain clients due to personal incentives or decisions influenced by relationships that could negatively impact SGD Pharma's reputation.

This policy underscores our commitment to transparency, objectivity and ethical behaviour, firmly positioning SGD Pharma as a company dedicated to maintaining the highest standards of professional integrity. To ensure complete adherence to this policy, SGD Pharma will implement in 2024 a structured approach for monitoring and assessing conflicts of interest, complemented by comprehensive training for all relevant personnel.

ANTI-BRIBERY POLICY

We are committed to doing business the right way. That is why we have a strict anti-bribery and anti-corruption policy. This policy means we do not tolerate corruption in any shape or form, and it adds more detail to our Code of Business Conduct and Ethics by clearly stating what is and is not allowed. Our responsibility extends beyond our employees; we also make sure that our commercial partners understand and share our stand against both active and passive corruption. We are proud to report that, to date, no incidents of corruption or bribery have come to light at SGD Pharma. Furthermore, we haven't faced any ethical disputes or litigation in over six years.

EMPLOYEE TRAINING

We have also reinforced our commitment to ethical integrity by launching in 2023 a specialised e-learning training programme aimed at upskilling our employees regarding ethical issues. By the end of the year, we had made substantial progress: 92% of our most at-risk employees, totalling 384 out of 417 across our global team of approximately 3,200, had participated in the programme. Developed in partnership with a service provider, the curriculum concentrated on crucial topics such as anti-bribery and corruption, fraud awareness and detection, and managing business gifts and entertainment, boasting an impressive 90% success rate. This effort is central to nurturing a culture of integrity and compliance across the company.

Expanding on our commitment, we introduced in-person training on competition law and conducted anti-competitive practices risk assessments, using a questionnaire sent to all training participants. By the end of 2023, we had successfully trained 93% of our most at-risk employees across our three business units, with 165 out of 177 becoming well-versed in competition law. In 2023, our anti-competitive practices risk assessment covered 99% of our training participants and 92% of our most at-risk employees. This, combined with the 92% who completed our three new e-learning courses, underscores SGD Pharma's dedication to maintaining the highest ethical standards in all aspects of our operations, ensuring a well-informed workforce capable of navigating complex ethical landscapes.

WHISTLEBLOWING PROCEDURE

In 2022, SGD Pharma took a significant step towards enhancing our ethical practices by updating our professional whistleblowing tool to a newer, more efficient and fully secure global system, with a new service provider. This upgrade ensures the utmost confidentiality and anonymity for whistleblowers, aligning with the General Data Protection Regulation (GDPR) to foster an environment where employees feel comfortable reporting issues such as corruption, financial discrepancies, environmental infractions and health and safety violations, regardless of their location.

Following this improvement, we further refined our approach in 2023 by updating the whistleblowing procedure itself. This adjustment ensures that our processes remain in full compliance with the latest regulations, reinforcing our commitment to transparency, accountability and a safe reporting environment. In 2024, SGD Pharma will continue to reinforce our speak-up campaign and encourage the launch of alerts, through training for all employees and additional communication efforts.



GIFT AND ENTERTAINMENT PROCEDURE

We have also refined our procedure surrounding gifts and entertainment within our Asia-Pacific business unit and trained our employees accordingly. We will review the same procedure for our India business unit in 2024. Recognising the delicate balance between fostering good business relationships and maintaining the highest ethical standards, we have implemented a detailed procedure that clearly delineates the acceptable practices for offering and receiving gifts and invitations, setting forth clear thresholds for value that align with local customs and regulations and the company's stringent compliance requirements, including our anti-bribery policy.

Notably, the procedure outlines that gifts and invitations, whether given or received, should not exceed specific monetary thresholds without proper authorisation – setting a cap to ensure these exchanges remain within the bounds of courtesy and do not veer into potentially unethical territory. Moreover, it emphasises the necessity of recording and registering these exchanges to ensure transparency and accountability, thereby reinforcing our dedication to integrity. All employees within our business units are expected to adhere to these guidelines, with the procedure being applicable to anyone acting on behalf of the company, ensuring a consistent and unified approach to ethical conduct across the board.

COMPLIANCE COMMITTEE

Since 2016, SGD Pharma's Compliance Committee has brought together the expertise of the Chief HR Officer, the Chief Financial Officer, the General Manager of the Business Unit West and the Group General Counsel. This team meets at least once per semester and on an ad hoc basis whenever necessary to review compliance with the Code of Business Conduct and Ethics, consider related legal requirements, and deal with alerts including, among others, those relating to corruption, international sanctions and HR matters. A key focus of the Compliance Committee is managing the whistleblowing system, ensuring employees can report issues anonymously, fostering a culture of openness and accountability.

In 2023, we finalised our Ethics and Compliance roadmap for 2023-2025. This plan details SGD Pharma's strategy to strengthen its ethical standards and compliance monitoring processes over the next few years. It aims to ensure that the company not only complies with current regulations but is also well-prepared to meet for future challenges and deliver on its growth strategy.



INFORMATION SECURITY

JEAN-JACQUES MUKUNA

IT OPERATIONS MANAGER

"In 2023, the Group's Information Security (IS) department consolidated its achievements and defined its data strategy for the years 2024-2026, with a focus on improving performance and decarbonising the company. Cybersecurity was also a strategic issue, with the implementation of an awareness and training programme for all employees, with a success rate of 98% by the end of the year.

In terms of CSR, the IS department's purchasing policy evolved in 2023 to include sustainability criteria in the provision of computer equipment. The lifespan of computer equipment was extended through warranty extensions, and criteria such as reparability, energy consumption, weight and carbon footprint were considered in purchasing decisions. An end-of-life management process was also put in place to reuse or recycle end-of-life equipment.

In summary, the Group's IS department is committed to reconciling performance, security and environmental responsibility, in a global excellence approach to make an active contribution to a more sustainable future."



CYBERSECURITY

At SGD Pharma, we understand that cybersecurity is a crucial part of our corporate social responsibility. We are firmly committed to protecting our systems and data against cyber threats. This commitment is reflected in a series of strategic initiatives aimed at strengthening our digital security posture.

We have set up training and awareness programmes for our employees, to equip them with the knowledge they need to identify and prevent cyber-attacks. In collaboration with recognised IT security experts, we ensure that our practices are in line with the most demanding international standards.

Our work towards ISO 27001 certification demonstrates our compliance with high standards and our ongoing commitment to improving our security systems. We regularly update our infrastructures to guard against current and emerging threats.

In case of an incident, our rapid response team is ready to intervene to contain and resolve any security issues, minimising the impact on our operations and stakeholders. We are committed to maintaining and continually improving our defenses against cybersecurity risks, ensuring the protection of our most valuable assets.



DUE DILIGENCE PROGRAMME FOR THIRD-PARTY INFORMATION SECURITY

We have developed and implemented a meticulous information security due diligence programme for third-party engagements, to ensure compliance and manage risk in line with best practice and legal requirements. This programme encompasses a tiered structure of rules and guidelines that apply to all third-party services provided within SGD Pharma's operational scope, including outsourced services, application development and infrastructure services. The rules are categorised by their level of criticality, and third parties must adhere to these rules, ensuring the security, availability, integrity and traceability of hosted data.

Each third party is required to sign a contract that binds it to SGD Pharma's information security standards, and it must also have its own security measures vetted. The rules mandate actions such as the reporting of security incidents, adherence to logical and physical security control measures, and regular updates to data management practices to maintain operational security. All these measures are part of SGD Pharma's proactive approach to safeguard our data and systems from security breaches and maintain the confidentiality and integrity of sensitive information.

INFORMATION SECURITY TRAINING

In 2023, we reinforced our defences against cyber threats by launching a comprehensive awareness and training initiative around information security. With an impressive completion rate, 84% of the Group's employees engaged with the programme, affirming their role as the first line of defence in safeguarding sensitive data. The training underscored the principle that robust information security transcends complex software – it's fundamentally about equipping people with the knowledge and tools to recognise and mitigate risks. By investing in the cybersecurity literacy of our workforce, we aim to ensure that every team member is prepared to uphold our high standards of information protection and contribute to a secure digital environment.



QUALITY OF SERVICE

MATURITY MODEL TO ASSESS QUALITY LEVELS

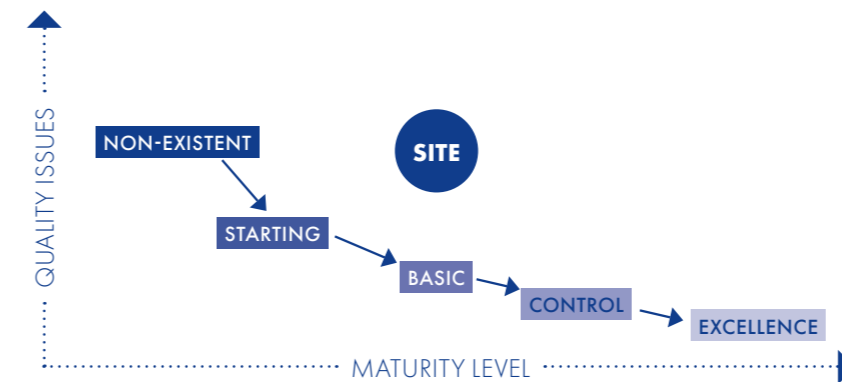
We have established a matrix to enable each plant to self-assess its level of maturity within each of our seven strategic quality pillars:

- Operational strategy (leadership and project management)
- Customer management and care
- Quality management system and good manufacturing practice
- Product quality (manufacturing and control)
- Quality tools for continuous improvement (risk assessment and problem solving)
- Supplier and sub-contractor management
- Human resources management and development (skills, competencies and organisation).

For each pillar, several maturity levels are defined, allowing quality managers to self-assess the status of the plant. This leads to each plant identifying its global maturity level, its areas of strength and its opportunities for improvement. This consolidation across all plants allows us to identify benchmarks and share best practice between them: all quality managers participate in this across the sites. This has also led us to setting up a road map for improvement and progress towards the top maturity level in 2025

QUALITY MATURITY MATRIX

- 5 Maturity Levels
- A description allowing the assessment of the current plant level
- A scale for a road map improvement of the plant Quality Management



MATURITY LEVEL

0. NON-EXISTENT

Requirement not provided for in the site policy and not planned for in the near future

1. STARTING

Requirement provided for in the site policy (ideas, intentions). Some immediate actions.

2. BASIC

Requirement met in a limited way on the site. Sporadic monitoring. Some first results.

3. CONTROL

Requirement deployed on the majority of the site. Employees involved. Regular follow-up and evidence easy to obtain. Assigned objective not fully achieved.

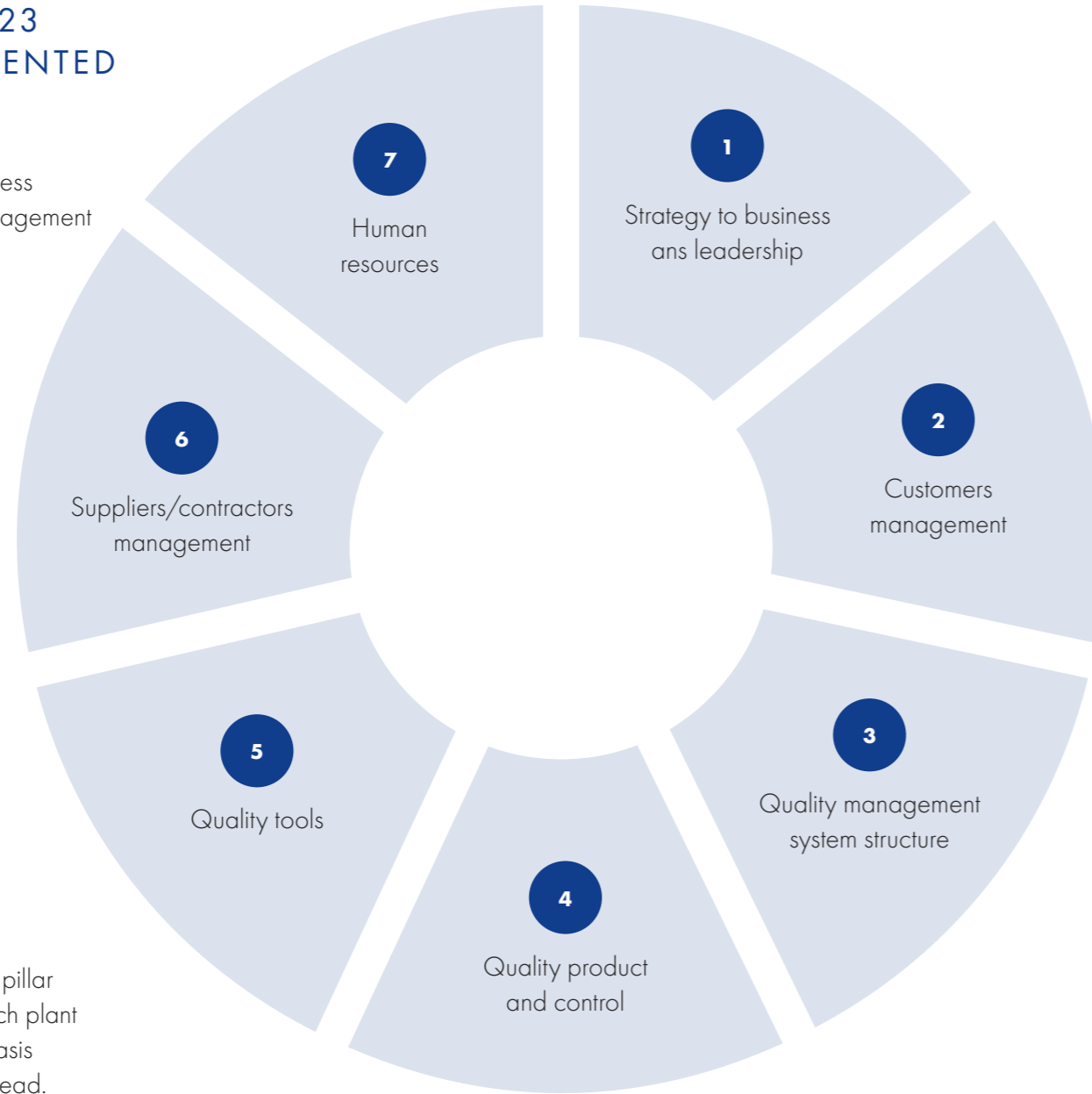
4. EXCELLENCE

Requirement deployed throughout the site, with habitual application by staff. The level of maturity is "best practice", with no further improvement possible. It can be used as a model for other sites.



OVERVIEW OF 2023 ACTIONS IMPLEMENTED IN QUALITY

The quality strategy is to progress on 7 key pillars of quality management



With a set of actions for each pillar to implement in the year in each plant and followed on a quarterly basis with Plant head and Quality head.

MAIN QUALITY ACHIEVEMENTS IN 2023 AT GROUP LEVEL

Quality maturity: progress made to reach 2023 year-end objective (cross-audits made in plants between December 2023 and January 2024)

- A robust process has been put in place to include quality assurance/regulatory affairs elements in Group projects
- Regulatory Annex 1 on sterile product application: a CCS (contamination control strategy) workshop was initiated to build a strategy for 2024 deployment
- Plant quality assurance: projects started for customers seeking premium quality and who are ready to pay for it
- Critical defect eradication: an action plan was initiated to identify the most impactful defects from 2023 and a workshop was held to reduce them
- Challenge quality control plan: a statistical study was carried out in Saint-Quentin-Lamotte for control plan robustness versus quality performance
- A problem-solving training programme was run in 2023 at Group level, to enable deep root-cause investigations for quality issues

QUALITY MAIN 2024 OBJECTIVES AT GROUP LEVEL

Quality maturity: make progress towards 2024 year-end objective (cross-audits in plants December/January)

- Implement a quality assurance IT tool at Group and plant level to follow quality results and trends
- Establish a robust process to include quality assurance/regulatory affairs elements in Group/plant-level projects
- Regulatory Annex 1 on sterile product application: complete and deploy a contamination control strategy
- Plant quality assurance level: reach a target of no disparity between plants (in terms of answers or quality production level) for customers
- Critical defect eradication: continue the action plan by adding the most impacting defects from 2023
- Challenge quality control plan: review control robustness versus quality performance and benchmark control methodologies and equipment
- Deploy problem-solving training programme on root-cause investigation for quality issues
- Focus on Sucy progres



SUSTAINABLE PROCUREMENT

BIHAG SHAH

GROUP PURCHASING DIRECTOR

"Sustainable purchasing is a critical aspect of CSR. Sustainable purchasing isn't just a buzzword; it's a commitment to ethical, environmental and social responsibility.

Our journey towards sustainable purchasing has been marked by conscious decisions aimed at minimising our ecological footprint and fostering ethical business practices, from sourcing materials responsibly to ensuring fair labour practices throughout our supply chain.

Tangible evidence of our efforts in 2023 include:

- United Nations training for all purchasing team members, covering greenhouse gas (GHG) Scope 1, 2 and 3 accounting and how procurement decisions can advance decent work in supply chains
- Our French Purchasing team is now a member of ObsAR (Observatoire des Achats Responsables) and was trained in sustainable purchasing

- We ran internal anti-bribery training
- We shared our CSR evaluation feedback with our 400 critical suppliers for continuous improvement.

We work closely with suppliers who share our values, promote transparency and strive to minimise our carbon footprint. Our partnerships with like-minded suppliers and our investments in eco-friendly technologies underscore our commitment to creating a better world, whether by reducing carbon emissions or promoting fair trade and ethical sourcing.

But our journey doesn't end here. As we continue to evolve, so too will our commitment to sustainable purchasing. We will remain vigilant in our pursuit of innovative solutions and best practices, always mindful of the impact our choices have on the planet and its inhabitants."

SUSTAINABLE PROCUREMENT POLICY

SGD Pharma's sustainable procurement policy sets out clear guidelines that ensure ethical, environmental and social considerations are integral to our purchasing practices. The policy is supported by four key documents: our Code of Business Conduct and Ethics; our anti-bribery policy, which is based on the US Foreign Corrupt Practices Act (FCPA) and France's Loi Sapin II; the limitation of authorities policy; and the third-party validation procedure. Its goal is straightforward: to procure quality products and services efficiently and cost-effectively, while also factoring in the total cost of ownership, which encompasses ethical, environmental and social criteria. This approach ensures that our procurement processes align with our commitments to sustainability and responsible business practice.

CODE OF CONDUCT

In 2020, we introduced a Supplier Code of Conduct, reinforcing our commitment to ethical and sustainable practices. This document was distributed to our critical suppliers, establishing a foundation for our partnerships based on mutual respect for ethical principles, human rights, health and safety standards, and environmental stewardship. The Code outlines specific expectations across four key areas:

- Ethics, covering issues like corruption, privacy and animal welfare
- Labour and human rights, focusing on eradicating forced and child labour and ensuring fair wages and working conditions
- Health and safety, emphasising the protection of workers and emergency preparedness
- Environment, including compliance with environmental laws, resource efficiency and managing waste and emissions.

Suppliers are required to sign this Code, committing to these principles and actively working towards continuous improvement by implementing effective management systems. This initiative not only aligns our supply chain with legal requirements but also with our vision for a sustainable and responsible business ecosystem.

CSR CLAUSES IN SUPPLIERS' CONTRACTS

We also require that a CSR clause is embedded in the contracts of all our critical suppliers. This guarantees that all these suppliers are not only aligned with but are actively contributing to ethical practices, environmental protection and social responsibility. This clause is a testament to our dedication to not only meet but exceed standard practices in sustainability, making it an essential component of our operational framework. By holding our suppliers to these high standards, we aim to foster a supply chain that reflects our values and commitment to making a positive impact on society and the environment.

TRAINING OUR BUYERS ON CSR TOPICS

The purchasing team at SGD Pharma has recently taken substantial steps to deepen their understanding and commitment to sustainability and responsible procurement. Every member has completed courses on the UN Global Compact's e-learning platform, focusing on Scope 1, 2, and 3 GHG emissions accounting, as well as how procurement decisions can promote decent work within supply chains. This knowledge helps our team make informed choices that reflect our commitment to environmental stewardship and ethical labour practices.

The entire team also participated in a comprehensive training session on sustainable procurement provided by Observatoire des Achats Responsables (ObsAR). This additional training has further solidified the team's expertise in making procurement decisions that are not only economically sound but also socially responsible and environmentally sustainable, ensuring that our procurement strategies align with global standards and contribute positively to our supply chain.

MEMBERSHIP OF OBSAR

In 2023, SGD Pharma became a proud member of ObsAR, a respected association dedicated to promoting sustainable procurement. This membership underscores our ongoing commitment to integrating responsible and sustainable practices into our procurement processes. By aligning with ObsAR, we gain access to a wealth of knowledge, best practice and a network of like-minded organisations focused on enhancing the sustainability of procurement activities. This collaboration reflects our dedication to improving our environmental footprint and ensuring that our purchasing decisions support ethical, social and economic standards. Joining ObsAR is a clear indicator of SGD Pharma's ambition to lead by example in sustainable procurement, driving positive change within our industry and beyond.

SUPPLIER DAY, ZHANJIANG, CHINA

SGD Pharma hosted its 2023 Supplier Day in Zhanjiang, the first event of its kind since the COVID-19 pandemic began three years ago. The gathering brought together 64 suppliers from 63 different companies, spanning a comprehensive spectrum of services from energy and raw materials to transportation and warehouse management. The event served as a platform for SGD Pharma to share our strategic vision and expectations, emphasising the importance of quality, environmental, health and safety standards. A standout moment was the initiation of the 'Mangrove Planting' project, in collaboration with 63 suppliers, underscoring our collective commitment to environmental conservation. A highlight was a special training session led by Chen Yan from the Mangrove Wetland Conservation Foundation, culminating in certification for all participating suppliers. This Supplier Day not only acknowledged the crucial support of our suppliers during the challenging COVID-19 period but also laid the groundwork for our shared journey towards sustainability and responsible procurement.



红树林项目启动仪式-SGD亚太2023年供应商大会 中国, 湛江, 2023.09.05



SGD亚太2023年供应商大会-工厂参观, 中国, 湛江, 2023.09.06

CSR ASSESSMENT FEEDBACK

In our continuous effort to uphold and spread sustainable practices, we have recently sent out feedback letters to all our critical suppliers. This initiative is grounded in our CSR strategy, which closely aligns with the 10 principles of the UN Global Compact. Based on these principles, we evaluate our suppliers and categorise them into red, yellow, and green zones, according to their compliance and performance levels. For suppliers in the red and yellow zones, the feedback included their evaluation results and a call to action for implementing corrective measures to improve their standings. This approach is aimed at encouraging improvement in areas critical to sustainable development. Suppliers in the green zone received our gratitude for their commitment and efforts in aligning with our sustainability values. This means of collecting feedback is part of our broader strategy to foster a responsible and environmentally conscious supply chain.

REGULATORY SURVEY CAMPAIGN

In 2023, we undertook a regulatory survey campaign, introducing two types of questionnaires tailored to the diversity of our supplier base, encompassing various compliance topics, including a focus on conflict minerals. This differentiation in the questionnaire approach – with an extended version for suppliers at risk and a basic version for those deemed non-critical and not at risk – allows for a nuanced understanding of regulatory adherence within our supply chain. Both versions of the questionnaire cover the critical issue of conflict minerals, ensuring a comprehensive assessment regardless of the supplier's risk level. Should a supplier acknowledge to us the presence of conflict minerals in its supply chain, they are then required to complete the conflict minerals reporting template, providing detailed disclosures regarding these materials. The answers to these questionnaires, expected in 2024, will offer valuable insights into our supply chain's compliance practices, reinforcing our commitment to ethical sourcing and regulatory adherence.

MAIN KPIS

97%

OF CRITICAL SUPPLIERS HAVE SIGNED
OUR CODE OF CONDUCT

100%

OF CRITICAL SUPPLIERS HAVE A CSR CLAUSE
IN THEIR CONTRACTS

93%

OF CRITICAL SUPPLIERS HAVE BEEN ASSESSED
THROUGH A CSR QUESTIONNAIRE

100%

OF BUYERS RECEIVED TRAINING
ON THE FOLLOWING CSR TOPICS

- Sustainable purchasing training with ObsAR
 - Internal anti-corruption training
- United Nations Training in Scope 1, 2 and 3 GHG accounting and how procurement decisions can advance decent work in supply chains

04

OUR ENVIRONMENTAL ASPECTS

100%

- of operational sites to achieve environmental and energy management certification (to ISO 14001 and ISO 50001) by 2025
- of operational sites for which an environmental risk assessment has been conducted
- of operational sites with local EHS regulation monitoring and compliance assessment

17% reduction of water withdrawals relative to production (melted tons) by 2024 (against a 2020 baseline)

90% EHS maturity matrix by 2025



MAIN KEY PERFORMANCE

5

OPERATIONAL SITES ARE CERTIFIED TO ISO 14001 (ENVIRONMENTAL MANAGEMENT)

4

OPERATIONAL SITES CERTIFIED TO ISO 50001 (ENERGY MANAGEMENT)

1.77 M³

TOTAL WATER WITHDRAWALS RELATIVE TO PRODUCTION

6.5%

OF TOTAL ELECTRICITY FROM RENEWABLE SOURCES

70%

OF WASTE RECYCLED, INCLUDING PRODUCTION SCRAP/WASTE INTERNALLY RECYCLED (INTERNAL CULLET)

6%

OF TOTAL WASTE CLASSIFIED AS HAZARDOUS





LAURENT THURET

GROUP EHS DIRECTOR

"2023 was a fruitful year for SGD Pharma, particularly in matters of environment, health and safety.

Our new health, safety, environment and energy corporate policy reinforced our commitment to health and safety and formalised the SGD Pharma ambition in terms of environment and decarbonisation. This was symbolised by our ambitious targets for a 35% reduction in Scope 1 and 2 emissions by 2030, and a 65% reduction by 2040, both against a 2020 baseline, and our corporate commitment to the Science Based Targets Initiative (SBTi).

Our goal is to limit our negative impacts and develop our contribution to sustainability, to transform the company to address future needs.

During 2023, we also implemented a number of initiatives that will help SGD Pharma achieve great results in the coming years.

Among our main achievements in 2023, we note:

- Implementation of a decarbonisation project to reduce gas consumption for glass melting in one furnace and reconstruction of a fully electrical furnace at our site in Saint-Quentin-Lamotte
- The first full year of production from our solar power system in Vemula
- Sourcing of renewable energy in China
- The development of our biodiversity project, with a target to plant 10,000 trees in 2024
- The replacement of cooling towers at Sucy, which will aim to reduce water consumption from evaporation and maintenance operations in the coming year.

In terms of health and safety, our 2023 Safety Week, run at all our sites, was once more a great success, and an occasion to reinforce the commitment of each and every one to safety. This was confirmed by our achieving the highest level yet in our internal EHS maturity matrix score."



HSEE POLICY

As mentioned above, in 2023 we implemented a new HSEE policy, sharing a commitment to reduce our environmental footprint. This policy outlines specific commitments across several areas:

- Compliance with applicable HSEE regulations and standards
- Prevention of accidents and occupational diseases, with a focus on reducing significant health and safety risks and encouraging a culture of vigilance
- Environmental preservation efforts targeting climate neutrality, including significant reductions in GHG emissions, adoption of renewable and low-carbon energy, and transparent carbon footprint reporting
- Enhancements in energy efficiency, water use reduction, atmospheric emissions reduction, waste management optimisation for recycling, conservation of natural resources, biodiversity preservation and prevention of accidental pollution
- Effective management of emergency situations through HSEE plans and risk management strategies.

In addition, the policy sets expectations for our subcontractors, service providers and suppliers to meet similar standards. It mandates the implementation of formalised HSEE management, continuous improvement systems, and performance monitoring, tailored to the specific needs of each site. The policy emphasises the role of behaviour and safety skills in recruitment and performance reviews, and it assigns responsibilities across the organisation to ensure a collective effort in risk prevention and environmental protection.

SGD PHARMA'S DECARBONISATION STRATEGY

In 2023, we had a strategic focus on decarbonisation. Our decarbonisation strategy is based on eight main steps: mobilise; measure; disclose; set targets and a pathway; reduce; engage; contribute to neutrality; and prepare and adapt. This strategy is fully aligned with the business roadmap. Central to these efforts is the decarbonisation committee, which includes Board members, Executive Committee members, the EHS director, and our CO₂ working groups. Meeting several times per year, this committee is pivotal to advancing the company's decarbonisation strategy and GHG reduction pathway, which involves transitioning our energy sources, such as to hybrid furnaces, reassessing the raw materials we use, redesigning processes, adopting more recycled glass and developing lighter products.

MOBILISE

MEASURE

DISCLOSE

**SET TARGETS
& PATHWAY**

REDUCE

**ENGAGE
(EXT. STAKEHOLDER)**

**CONTRIBUTE TO
NEUTRALITY**

**PREPARE
& ADAPT**

SBTI COMMITMENT

We are proud to announce that SGD Pharma has joined the Science Based Targets initiative (SBTi) as a part of our broader sustainability and decarbonisation strategy. This commitment involves setting ambitious emission reduction goals aligned with the latest climate science to halve emissions by 2030, supporting the objectives of the Paris Agreement. We have set specific targets to reduce Scope 1 and 2 CO₂ emissions by 35% by 2030 and 65% by 2040, against a 2020 baseline, across our global sites. Currently, SGD Pharma is challenging those targets to achieve a reduction aligned with a scenario of 1.5°C of warming. Our aim is to validate those targets through the SBTi, including our Scope 3 emissions, marking us as one of the few companies in the sector with an official climate target under this initiative.

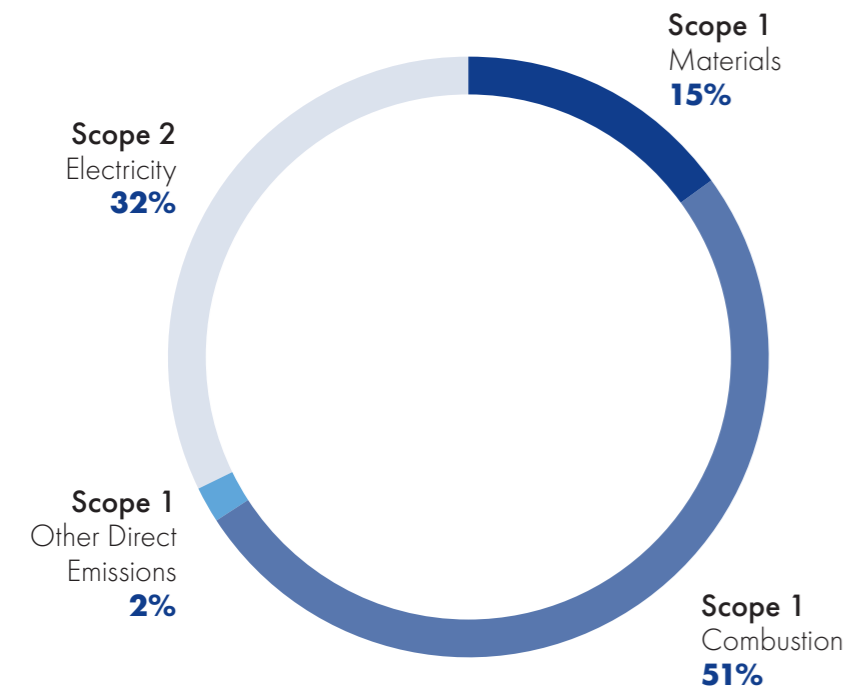
EXTERNAL VALIDATION BY KPMG

SGD Pharma has undergone external validation of our Scope 1 and 2 CO₂ emissions by KPMG for both types of calculation: location-based and market-based. This year, KPMG also verified part of our Scope 3 emissions (categories covering more than 70%). This validation process ensures that our reported emissions data is accurate, reliable, and transparent, which is critical for demonstrating the company's commitment to sustainability and reducing our environmental impact. Scope 1 emissions refer to direct emissions from sources that are owned or controlled by SGD Pharma, such as gas combustion in manufacturing facilities. Scope 2 emissions refer to indirect emissions that come from generating the purchased electricity, heat or steam used by SGD Pharma. Scope 3 emissions are all indirect emissions (that are not included in Scope 2) in an organisation's value chain: for 2023, KPMG only validated those from SGD Pharma's business travel.

By verifying all scopes, KPMG ensures that SGD Pharma's emissions reporting includes all its operations. This also helps the company identify areas where it can reduce its carbon footprint. KPMG's validation process involved a detailed review of SGD Pharma's emissions data and the systems and processes used to collect and report it. The validation process also includes an assessment of the quality of the data, the accuracy of the emissions calculations, and the completeness of the emissions inventory. KPMG's validation provides independent assurance that our emissions data is reliable and transparent, giving stakeholders confidence that we are committed to sustainability and reducing our environmental impact. By undergoing external validation of our emissions data, we are demonstrating our transparency and accountability to stakeholders, and our commitment to reducing our environmental impact in a measurable way.

DISTRIBUTION OF GHG EMISSIONS BY SCOPE AND SOURCE

The Scope 1 and 2 GHG footprint at our five production sites (203,584 tons of CO₂eq location Based)



Scope 1: includes all direct emissions from raw materials and combustion of gas and oil.
Scope 2: includes indirect emissions associated with consumption of supplied electricity and heat.

Within our plants, we have identified three main sources of CO₂ emissions:

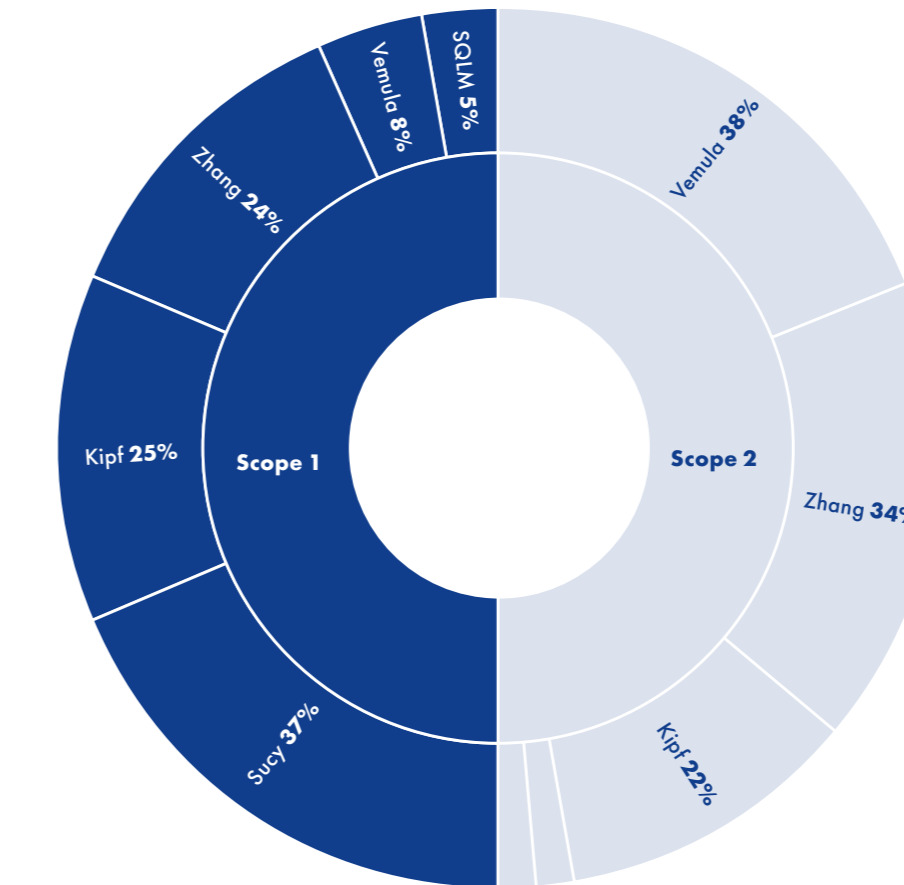
- Fuel consumption for heat generation in the manufacturing process and buildings, which represents 51% of our overall Scope 1 emissions.
- Process emissions generated by the chemical reactions of carbonated raw materials, mostly in soda-lime glass formulation (Type III). These account for 15% of Scope 1 emissions. Plants producing borosilicate glass (Type I) have a much lower percentage of process emissions.
- Emissions associated with purchased electricity used in the manufacturing process, which represents 33% of our overall Scope 2 emissions. These emissions come primarily from our production sites in China, India and Germany, where the energy sources used for producing electricity emit more carbon than in France.

Scope 3

Scope 3 emissions have been calculated for all 15 categories listed in the GHG Protocol. This has enabled us to assess the impact of these indirect upstream and downstream emissions.

Several Scope 3 carbon reduction initiatives have already been implemented: we favour maritime transport, which has a lower impact than road transportation, for moving products from the Sucy-en-Brie Plant to the harbour at Le Havre in France. For road transport, we require specific statements from carriers specifying that they use newer vehicles with lower emissions. In 2018, we launched our 'Load Factor Optimisation' project, which aims to optimise the filling of carriers' trucks, thereby reducing both costs and carbon emissions. Projects to recycle glass from industrial scrap or from used end-of-life glass are also on-going.

GHG EMISSIONS (TONNES CO₂EQ) IN 2023, PER SCOPE AND PER SITE



ENVIRONMENTAL INITIATIVES

TRAINING ON CLIMATE ISSUES

We put a strong emphasis on environmental awareness and education across all levels of our workforce. Comprehensive training programmes have been implemented, including specialised sessions by French non-profit Climate Fresk to some Chinese and French teams, to enhance their understanding of environmental issues and promote sustainable practices within the company. This initiative reflects our commitment to integrating sustainability into our corporate culture and operational procedures.



360° ENVIRONMENTAL RISK ASSESSMENTS

We are deeply committed to environmental management and sustainability. This commitment is exemplified by our initiative to have a comprehensive 360° environmental assessment at most of our manufacturing sites. Through this evaluation, we undertook an in-depth analysis of environmental risks and impacts associated with our operations, alongside a critical review of our environmental management practices.

The outcomes of this assessment provide a clear trajectory towards mastering and reducing our ecological impact while enhancing operational efficiency and competitiveness in the global market. By implementing an action plan derived from the assessment findings, we are positioning the company as a forward-thinking leader in the pharmaceutical packaging industry.

As a next step, we plan to improve our understanding of the vulnerability of our value chain to climate change, with a view to increasing its resilience.



ENERGY MANAGEMENT AND GHG REDUCTION

At SGD Pharma, energy management is a cornerstone of our sustainability strategy, given the inherently energy-intensive nature of glass manufacturing. With the industry facing the dual challenges of high melting temperatures (of around 1,500°C) and CO₂ emissions from carbonated raw materials, we are committed to continually enhancing the energy efficiency of our processes to mitigate our GHG emissions. This commitment is embodied in our systematic investment in the best available technologies and regular upgrades to our installations, which aim to minimise our environmental impact and contribute to the global fight against climate change.

A prime example of our dedication to sustainable practices is the Saint-Quentin-Lamotte plant, which boasts a fully electrical furnace and an oxy-fuel combustion furnace with electrical boosting, both of which are designed to significantly reduce carbon emissions. Our journey towards sustainability also involves the progressive substitution of fossil-heavy oil with more eco-friendly alternatives, alongside the complete recycling of internal glass debris to move towards zero waste of raw materials.

To amplify our efforts in combating climate change, our multidisciplinary team has identified over a hundred opportunities for technological innovation required by 2050, guiding the re-evaluation of our carbon footprint reduction strategy. Moreover, we actively engage with technological advances, exploring solutions like hydrogen and decarbonised raw materials, and we participate in ambitious projects such as Furnaces of the Future, an initiative led by FEVE, the European Container Glass Federation. By aligning our energy management efforts with an internal standard based on ISO 50001, we foster a culture of energy performance across all SGD Pharma sites. This framework is structured around the PDCA (Plan, Do, Check, Act) method. It includes energy audits to identify significant energy users and set performance indicators and targets, the implementation of action plans, rigorous monitoring, measurement and analysis for verification, and a continuous improvement phase to address any nonconformities.

FURNACE ELECTRIFICATION, SAINT-QUENTIN-LAMOTTE, FRANCE

SGD Pharma has deployed advanced technology in the high-performance rebuild of one of the two furnaces at the Saint-Quentin-Lamotte (SQLM) manufacturing plant in France. This strategic overhaul is a key component of our global decarbonisation efforts, aimed at reducing our total carbon emissions by 65% by 2040.

The furnace rebuild is designed in two phases to reduce the consumption of natural gas while increasing electricity use on the premises. This initiative sets the stage for the electrification of the plant's furnaces. It further aims to halve gas consumption in the forehearth, reducing our reliance on fossil fuels.

This investment in the SQLM site is emblematic of our leadership in adopting innovative solutions to mitigate environmental impact. Partly funded by the French government under the France 2030 initiative, operated by ADEME, France's environment and energy management agency, the project is a testament to the collective effort and dedication to sustainability within and beyond national borders.

The second furnace, which has been run since 2015 with 100% electricity, has been rebuilt, as we maintain the same high level of low-carbon technology.

HEAT RECOVERY SYSTEM, VEMULA, INDIA

The installation of a heat recovery unit at the Vemula site in India represents another significant energy efficiency initiative. Heat recovery units capture waste heat from industrial processes and repurpose it, significantly reducing energy use. Given the high energy consumption of glass manufacturing, such a system not only contributes to substantial energy and cost savings but also reduces GHG emissions.



RENEWABLE SELF-PRODUCTION ELECTRICITY PROJECT, VEMULA, INDIA

In mid-2022, SGD Pharma successfully completed its Solar Electricity project, officially launching full-year self-production of solar electricity in 2023. This milestone sets a remarkable precedent in environmental management. By installing solar panels across the entire facility's rooftop, SGD Pharma embarked on a journey to harness solar energy that aligns perfectly with our broader commitment to sustainable energy usage.

This project is part of SGD Pharma renewables strategy, which also includes the progressive increase of purchasing of renewable electricity from external sources, further enhancing our dedication to renewable energy. This transition has already yielded substantial benefits, reducing energy expenses and carbon emissions. These positive actions contribute to the global fight against climate change.



RENEWABLE ELECTRICITY PURCHASING PROGRAMME, ZHANJIANG, CHINA

For the first time in 2023, SGD Pharma started a program to purchase progressively renewable electricity, starting in China. Reaching 34% of consumption of the site, it covers one third of plant electrical consumption.



ECO-FRIENDLY CARS, KIPFENBERG, GERMANY

As part of our endeavours to operate more sustainably, we have replaced all our internal combustion-engine company cars with more environmentally friendly alternatives. Part of the fleet has been converted to hybrid vehicles that can run on both petrol and electricity, while part has been converted to all-electric cars.

ELECTRIC CHARGING STATIONS, KIPFENBERG, GERMANY

Modern electric charging stations have been installed at our site in Kipfenberg. This enables all visitors and customers to charge their electric vehicles during their stay with us. We also offer our employees the opportunity to use these charging stations at a discounted price. This is part of our commitment to sustainability and the promotion of green mobility.

BIODIVERSITY PROJECT

We are proud of the biodiversity project that we launched in China in 2022 to protect mangroves. These plants play a crucial role in coastal ecosystems, supporting a diverse range of species. Nearly half of mangrove-associated mammals, 22% of fish, and various percentages of other species are threatened with extinction. But the importance of mangroves extends far beyond their ecological value, significantly impacting coastal societies.

We have undertaken a series of impactful initiatives related to mangroves. We have partnered with the Zhanjiang Nature and Resource Bureau to promote the restoration of mangroves – each of which can absorb approximately 12 kg of carbon annually, resulting in a significant environmental impact.

In 2022, SGD Pharma sponsored the planting of 1,000 mangroves, achieving an estimated carbon sink of 10,000 kg. Encouraged by this success, we have set our sights on expanding our mangrove plantation efforts to further enhance the carbon sink capacity and extend compensation to include our flight emissions as well.

We also participated in the 27th China Beauty Expo in Shanghai, launching our 'THE FUTURE IS GREEN' campaign. This initiative actively engaged visitors and key clients in the sustainability conversation. It led to the planting of a further 168 mangroves, in the Xiashan Sea Corridor landscape. Through these efforts, SGD Pharma underscores its ongoing commitment to sustainable development and biodiversity preservation, aiming to inspire broader participation in its green initiatives and setting a precedent for environmental responsibility in the industry.

Another notable milestone in this journey was the visit by a delegation led by Zhanjiang Mayor Mr. Zeng Jinze to SGD Pharma's China plant on 19 April 2023. This visit, which included discussions with SGD Pharma's CEO Olivier Rousseau and other key executives, highlighted the company's plans for significant investment in the plant's infrastructure and its dedication to sustainable energy practices. Both Mayor Zeng and Vice Mayor Mr. Zhang Renjian expressed keen interest in our initiatives to embrace green energy solutions, including wind and solar power, in line with Zhanjiang's environmental goals.

The discussions also underscored the importance of corporate social responsibility, with SGD Pharma reiterating its commitment to maintaining SA8000 certification and ensuring exemplary working conditions. Zhanjiang's leadership praised SGD Pharma's efforts in mangrove preservation, recognising the immense value these efforts bring in terms of biodiversity, carbon sequestration and coastal protection.



FREDERIC BARBIER
GENERAL MANAGER
CHINA & ASIA PACIFIC

INTERVIEW

"Our factory in Zhanjiang in southern China was the first glassworks in our industry to be SA8000 certified in China and remains one of the few to have been certified.

This certification rewards companies that comply with labour laws and provide a fair work environment for their employees, including compliance with the overtime limit. We have been chosen by Bureau Veritas and the Franco-Chinese Chamber of Commerce and Industry (CCIFC) to present our efforts around SA8000 to more than 25 companies.

At our Zhanjiang factory, we provide a working environment that strives to be best in class. We give our employees, male or female, equal opportunities, with no pay gap. We have been selected by the He For She Forum (an initiative created by the United Nations) in 2022 and 2024 in South China to present the many actions that have been put in place to achieve this parity. At SGD Pharma Asia Pacific, we also have a long-standing relationship with the Zhanjiang Special School for Students with Disabilities, to provide employment for some of its graduates every year. In 2023, we employed 13 students from the school.

We also help more than 60 people in difficult situations by providing them with employment. In 2023, we delivered more than 22,000 hours of training, the majority of which was focused on the safety of our employees. We haven't had a lost time accident in two years.

We have also sought to reduce our impact on the environment. Our CSR strategy focuses on

reducing emissions. In 2018, we shifted our energy use from heavy oil to liquified natural gas, which helped reduce our GHG emissions by 10%. In 2024, we are rebuilding our kiln to increase its energy efficiency and reduce our carbon footprint again.

Glass can be recycled endlessly, which is a great advantage over plastic. After more than 10 years of work, the glass cosmetics industry in Europe uses PCR (post-consumer recycling) as standard, thus reducing its carbon footprint. SGD Pharma is the first pharma and cosmetics glassmaker in China to launch a PCR campaign that complies with international standards, with the absence of heavy metals and other prohibited elements.

Our global responsibility is also to protect nature. In 2022, we started planting mangrove trees in our city to support biodiversity protection. By 2024, we will reach 10,000 trees planted, each protecting marine life, insects and birds, helping to clean up the water while protecting coastlines during cyclones. Mangroves also offer the added value of absorbing four times more carbon than a tropical forest. With 10,000 trees planted, we will offset the carbon emitted during all our train and plane trips in China.

France's Ambassador to China recognised SGD Pharma's efforts on decarbonisation and mangrove planting by presenting us with an 'environmental leadership' award. With his encouragement, we are launching the Together Mangrove initiative with CCIFC to reach 100,000 trees planted in 2025 and 1,000,000 trees in 2030."

WATER MANAGEMENT

Our Sucy-en-Brie plant has undertaken a significant initiative to upgrade its cooling systems, which is a crucial project for enhancing operational efficiency and reducing environmental impact. The project will replace its cooling towers and water treatment station. The chosen solution is focused on adiabatic coolers, a technology selected for its environmental benefits, including reduced water consumption and the mitigation of legionella risk. This technology also promised enhanced operational continuity, allowing for maintenance without full system shutdowns.

The project scope included the integration of four adiabatic coolers and the replacement of the existing water treatment system with a reverse osmosis station. In addition, a new technical fluid room was created to house water filtration for well drilling, water buffer storage, purge recovery and comprehensive metering for monitoring purposes.

A strategic approach to water management was also adopted, aimed at minimising the use of city water. By leveraging adiabatic technology, we intend to reduce both the concentration and evaporation volumes of water. Furthermore, the project includes efforts to enhance the reliability of the well-drilling circuit for cooling and calcining processes, significantly cutting down the need to draw on city water.

-17%

OF WATER WITHDRAWAL RELATIVE TO PRODUCTION (MELTED TONNES) BY 2024 (AGAINST A 2020 BASELINE)

WASTEWATER QUALITY ASSESSMENT

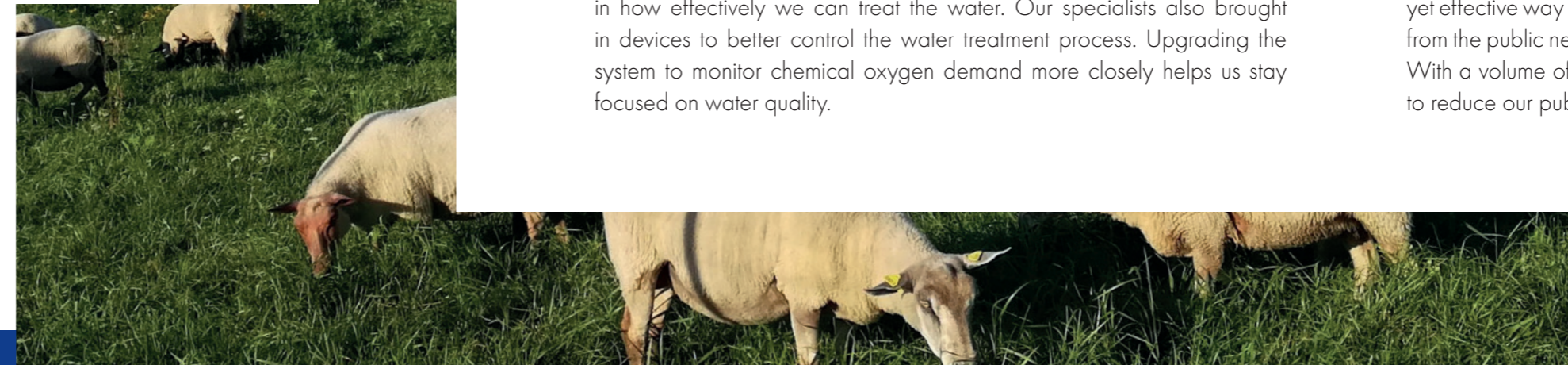
We consistently conduct regular wastewater quality assessments across all our manufacturing sites. These assessments are an integral part of our environmental management strategy, aimed at minimising our ecological footprint and ensuring the well-being of the communities in which we operate. By systematically monitoring our wastewater's chemical and biological properties, we identify and implement the necessary treatments and improvements to maintain water quality.

CHLORINE AND NH₃ CONCENTRATION WASTEWATER TREATMENT SYSTEM, ZHANJIANG, CHINA

The Zhanjiang plant has focused on reducing the level of chlorine and ammonia in its wastewater. We've started by separating frosting wastewater from other types. This step alone has made a big difference in how effectively we can treat the water. Our specialists also brought in devices to better control the water treatment process. Upgrading the system to monitor chemical oxygen demand more closely helps us stay focused on water quality.

RAINWATER HARVESTING SYSTEM, VEMULA, INDIA

At our Vemula plant in India, we have set up a rainwater harvesting system, reducing the plant's reliance on local water sources. It's a straightforward yet effective way to make the most of rainfall and reduce the need for water from the public network, especially in a region where water can be scarce. With a volume of 15,000 kl, the rainwater recovery tank has enabled us to reduce our public water consumption at the plant since 2019.



WASTE MANAGEMENT

Our sustainability goals in waste management focus on three key pillars:

- Minimising waste generation
- Promoting reuse and recycling initiatives
- Aiming for a reduction in waste sent to landfill.

Our overarching strategy involves leveraging shared best practices across our various locations and maximising the use of internal cullet, with an impressive 99.5% of our internal cullet being reincorporated into our production cycles. This means that almost all our production scrap is reused as a raw material. In addition, we are collaborating with peers in the glass manufacturing sector to identify and implement innovative cullet reuse opportunities.

To address the challenge of hazardous waste produced during manufacturing, we are committed to implementing effective recovery and pollution prevention strategies. Our Saint-Quentin-Lamotte site exemplifies this commitment through several key practices:

- Energy-recovering incineration of contaminated waste
- Metal recycling, including items like batteries and aerosols
- Substance recycling, such as neon lights
- Regeneration of used oils.

These measures reflect our efforts to responsibly manage waste and reduce environmental impact, aligning with our broader commitment to sustainability and ecological responsibility.

HAZARDOUS WASTE

At SGD Pharma, the handling, storage, labelling and transportation of hazardous waste are governed by a strict protocol to mitigate risks and ensure environmental compliance. Hazardous chemicals are stored in designated containers with appropriate regulatory labels, organised based on compatibility, and placed on suitably sized retention trays.

Dangerous substances are managed extremely carefully, with a comprehensive database accessible to all sites that details the nature, storage location, use and quantity of these substances on-site. Such rigorous management extends to the documentation of safety data sheets for every product, substance and preparation, ensuring they are current and in the local language, thereby ensuring safety and regulatory adherence.

The training of personnel in handling hazardous substances is paramount. Workers are educated on the inherent risks, proper use and necessary protective equipment for handling dangerous substances, in line with our commitment to safety and environmental responsibility. The maximum quantities of hazardous products allowed for storage are conspicuously displayed at storage locations, further embedding safety into our daily operations.

WASTE SORTING

At all our operational sites, waste management is diligently executed, distinguishing between hazardous and non-hazardous waste to ensure proper handling and disposal. Hazardous waste is segregated and stored in designated areas, specifically equipped to mitigate any environmental or health risks. A specialised service provider takes care of all waste, adhering strictly to government guidelines and recommendations.

CANTEEN FOOD WASTE RECYCLE, ZHANJIANG, CHINA

SGD Pharma APAC has undertaken an initiative to manage canteen food waste responsibly at its facility. The canteen produces approximately 23kg of food waste each day, totalling around 8,511kg annually. To address this, the process begins with the collection of residue and kitchen garbage, followed by the separation of unusable waste, such as bones, from usable food waste designated for recycling.

The recycled food waste is then provided to local chicken farms, offering a cost-effective feed solution that supports livestock nutrition. With the average chicken consuming about 0.3kg of food daily over 180 days, SGD Pharma's initiative can sustain approximately 157 chickens each year. This practice not only reduces the carbon footprint associated with food waste but also prevents harmful substances from entering the human food chain.



LOCAL AND ACCIDENTAL POLLUTION PREVENTION

AIR QUALITY MONITORING

We undertake regular air quality monitoring across all our sites to ensure the health and safety of our employees and minimise environmental impacts. This involves measuring pollutants and ensuring air quality remains within safe and regulatory-approved levels.

NOX EMISSIONS REDUCTION SYSTEM, ZHANJIANG, CHINA

We have begun a crucial environmental project at our Zhanjiang plant, focusing on the construction and implementation of a deNOx system. This initiative, aimed at reducing the levels of dust, NOx and SO₂ emissions from furnace waste gas, is part of a broader commitment to minimise the plant's environmental impact.

The deNOx system employs a combination of selective catalytic reduction and electrostatic precipitators alongside ceramic tube technologies, offering an integrated approach to treating and reducing pollutants effectively.

The success of the deNOx system was validated by third-party testing, with results showing significant decreases in NOx, SO₂ and dust particle levels, ensuring full compliance with local environmental regulations.

NOISE REDUCTION, ZHANJIANG, CHINA

Our Zhanjiang plant in China has undertaken a boundary noise reduction project to address noise pollution stemming from the ventilators of its volatile organic compounds treatment system. The goal was to design and install noise reduction covers for the ventilators to decrease noise levels.

The project involved installing noise reduction covers on two sets of ventilators and additional smaller ventilators, with specific dimensions for each set to ensure effective noise mitigation. This initiative was crucial in bringing the boundary noise levels below the limits mandated by local regulation, significantly reducing noise pollution around the plant.

Tested by a third party and verified by the local Environmental Protection Bureau, the noise reduction efforts successfully brought the boundary noise levels under control.

INTERVIEW

ECO-DESIGN

"Our customers are committed to decarbonising their activities and expect SGD Pharma to contribute to reducing their Scope 3 emissions. We have had our decarbonisation plan approved by the Board in 2023, setting ambitious targets and rolling out a precise action plan. How is this plan shaping up in terms of innovation? Our main focus is on the 3Rs – reduce, reuse and recycle – and last year saw the launch of three new eco-designed products in line with our customers' expectations.

First, reducing the weight of packaging materials is a promising solution for minimising GHG emissions. Our new Idency injectable bottle for parenteral use in the pharmaceutical industry combines high chemical resistance and mechanical strength with CO₂ savings. Our experts carried out a comparative calculation of the weight and quantities of CO₂ emitted during the production of a 10ml ISO moulded vial, a 10R vial (converted glass vial) and a 10MR Idency vial. The product benefits from 24% and 25% reductions in Scopes 1 and 2 CO₂ emissions respectively, while offering proven chemical durability and ease of use on the aseptic filling machine (with high hydrolytic resistance, low extractables and no surface degradation).

Second, on the beauty and cosmetics side, consumers are becoming increasingly concerned about environmental impact. We are adapting our glass products to take these requirements into account. Our products achieve both the high level of aesthetics and performance required of

quality cosmetic packaging, while delivering on the promise of sustainable development. Eclipse is a new eco-designed refillable packaging solution, ideal for a wide variety of beauty and wellness products. Designed with two separate containers locked together by an innovative assembly, Eclipse is supplied as a one-piece package, offering consumers an effortless replacement and recycling experience.

In addition, our new NOVA range is the innovative result of SGD Pharma's expertise in the manufacture of robust, pharmaceutical-grade glass packaging, tailored to the needs of customers in the cosmetics and beauty sectors. Weight reduction is combined with optimised glass distribution, resulting in enhanced mechanical strength. NOVA bottles are attractive, withstand the pressures of transport and distribution, and have a lower carbon footprint. For a new 200ml bottle from our NOVA range, we calculated a reduction of around 20% in CO₂ emissions compared with the standard Dorado bottle, thanks to lower consumption of raw materials, without any compromise in terms of robustness. Nova therefore reduces weight in the supply chain and meets consumer demand for environmentally friendly packaging.




Our Innovation department is working with enthusiasm and passion to contribute to environmental matters. Our pipeline also includes other initiatives that will deliver clear CO₂ reductions, which we will unveil in the future."





CAROLE GRASSI-MIRCICH

CHIEF COMMERCIAL MARKETING
AND INNOVATION OFFICER



MATERIAL TOPICS	PILLAR	SGD	COMMITMENT	KEY PERFORMANCE INDICATOR	2020	2021	2022	2023
Health and safety	OUR PEOPLE		Zero accident, zero occupational illness	FR1 (Lost time injury rate for direct workforce)	3.41	3.28	2.78	2.61
				LTA + NLTA (Lost time accident + no lost time accidents)	32	30	32	26
Career management and training		Attract, develop and retain our talents	Attrition rate	10.4%	7.6%	8.1%	6.3%	
			Average hours of training per year per employee	18	25.9	25.8	25	
Social dialogue and diversity		Equal employment and promotion opportunities		% of the total managers & professionals across all locations who received regular performance and career development reviews	100%	100%	100%	100%
				% of the total workforce covered by a formal collective agreement	39%	38%	39%	41%
				% of women in top management positions	28%	32%	22%	22%
				% of women in senior management	30%	33%	32%	28%
				% of women employed in relation to the whole organisation	37%	38%	35%	35%
Quality of service and competitiveness		Zero non conformity	OTIF 1 (On time in full delivery)	98.8%	97.3%	97%	98.4%	
	Customer claims, total number			-3%	-21%	+4%	-10%	
Global business ethics policy	Full compliance with national and international laws and regulations	At-risk employees across all locations who received training (e.g., e-learning) on business ethics issues	98%	98%	15.6%	93%		
			Number of receivable alerts through the whistleblowing hotlines	0	0	0	0	
			At-risk employees across all locations who received training on information security issues				98%	
			Number of confirmed corruption/bribery incidents	0	0	0	0	
Sustainable procurement	OUR BUSINESS VALUES		Strengthen supply chains and ensure business continuity	% of critical qualified suppliers assessed through Dow Jones (third-party verification)	100%	100%	100%	100%
				% of critical suppliers for which conflict minerals information is available	100%	100%	39%	53%
				% of critical suppliers that have been assessed through the CSR questionnaire	65%	80%	91%	93%
				% of critical suppliers that have CSR clauses in their contracts	N.A.	80%	100%	100%
				% of critical suppliers that have signed our Business Code of Conduct and Ethics	N.A.	85%	90%	97%
				% of buyers trained on CSR topics	N.A.	N.A.	100%	100%

MATERIAL TOPICS	PILLAR	SGD	COMMITMENT	KEY PERFORMANCE INDICATOR	2020	2021	2022	2023		
Energy consumption and greenhouse gases	OUR ENVIRONMENTAL ASPECTS	 	Improve energy efficiency and tackle climate change	Annual GHG emissions (Scope 1 & 2), location-based, tonnes CO ₂ eq ¹	207 519	203 966	217 057	203 584		
				Annual GHG emissions (Scope 1 & 2), market-based, tonnes CO ₂ eq ¹	209 739	207 046	218 590	199 732		
				Overall energy consumption, MWh	770 090	698 430	734 489	723 166		
				GHG emissions (Scope 1 & 2) per k€, market-based, tCO ₂ eq ¹	0.605	0.611	0.533	0.452		
				Emission factor (tCO ₂ eq/Good tons) – average	0.959	0.987	0.991	0.941		
				Emission factor (tCO ₂ eq/Good tons) – average for Type I	1.262	1.324	1.440	1.506		
				Emission factor (tCO ₂ eq/Good tons) – average for Type II & III	0.899	0.910	0.905	0.846		
				Number of active projects to reduce impacts from end-of-life products	1	1	2	4		
				Reuse, waste and water	Optimize water use, reduce waste generation and abolish waste to landfill	Water consumption relative to production (melted tonnes)	2.21	2.71	1.90	1.77
						Waste recycling rate (recycled waste/total amount of waste generated)	34%	76%	79%	70%
Local and accidental pollution	Make a positive impact on the local environment	Total volumes of NO _x , tonnes	245.9	357	271.5	277.4				
		Total volumes of SO _x , tonnes	225	233.7	275.7	316.4				

¹ The previous year data was updated retrospectively following the update of the emission factors allowing more precision in accordance with the GHG Protocol guidance which recommends: "Companies should use the most appropriate, accurate, precise, and highest quality emission factors available for each method."

GLOBAL REPORTING INITIATIVE

GRI 1: FOUNDATION

STATEMENT OF USE

SGD Pharma has reported in accordance with the GRI Standards for the period 1 January 2023-31 December 2023.

GRI USED

GRI 1: Foundation 2021.

STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
GRI 2: General Disclosure			
2-1	Organisational details	-	5
2-2	Entities included in the organisation's sustainability reporting	Business Model	4,6
2-3	Reporting period, frequency and contact point	Business Model	4
2-4	Restatements of information	Business Model	4
2-5	External assurance		4
2-6	Activities, value chain and other business relationships	Business Model	6
2-7	Employees	Business Model	22
2-9	Governance structure and composition	Business Model, Our business values	8,11
2-12	Role of the highest governance body in overseeing the management of impacts	Business Model, Our local initiatives	8,11
2-13	Delegation of responsibility for managing impacts	Business Model	11
2-17	Collective knowledge of the highest governance body	CSR Governance at SGD Pharma	8
2-22	Statement on sustainable development strategy	CSR Governance at SGD Pharma	12
2-23	Policy commitments	CSR Governance at SGD Pharma	13
2-24	Embedding policy commitments	CSR Governance at SGD Pharma	13
2-25	Processes to remediate negative impacts		41, 43
2-26	Mechanisms for seeking advice and raising concerns		43
2-27	Compliance with laws and regulations		41
2-28	Membership associations		15
2-29	Approach to stakeholder engagement		15
2-30	Collective bargaining agreements		24
GRI 3: Material Topics			
3-1	Process to determine material topics	Business Model	17
3-2	List of material topics	Business Model	17
3-3 a	Management of material topics	Business Model	17
201. Economic Performance			
201-1	Direct economic value generated and distributed	Business Model	6
201-2	Financial implications and other risks and opportunities due to climate change	Risks and performance, Our environmental aspects	6

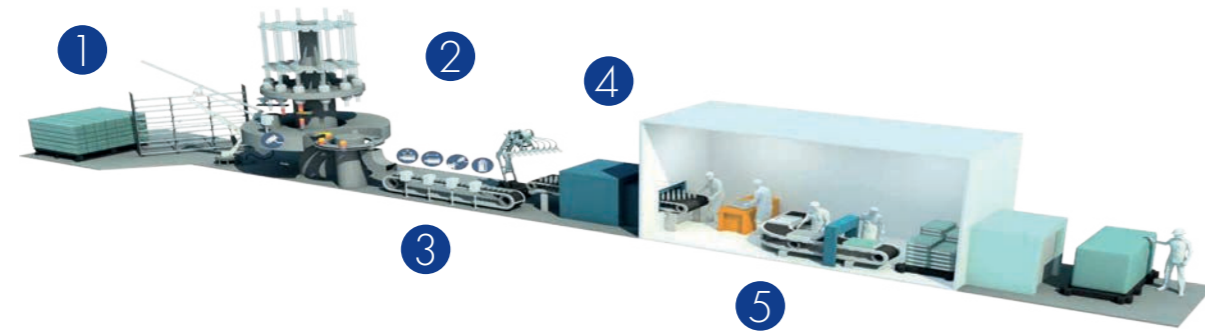
STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
205. Anti-corruption			
205-1	Operations assessed for risks related to corruption	Our business values	41, 43, 44
205-2	Communication and training on anti-corruption policies and procedures	Our business values	43,44
205-3	Confirmed incidents of corruption and actions taken	Our business values	41-44
206. Anti-competitive behavior			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Our business values	41, 42
302. Energy			
302-1	Energy consumption within the organisation	Our environmental aspects	68, 69
302-3	Energy intensity	Our environmental aspects	68, 69
302-4	Reduction of energy consumption	Our environmental aspects	68-71
303. Water and Effluents			
303-1	Interactions with water as a shared resource	Our environmental aspects	74, 75
303-3	Water withdrawal	Our environmental aspects	74, 75, 83
303-4	Water discharge	Our environmental aspects	74, 75, 83
303-5	Water consumption	Our environmental aspects	74, 75, 83
304. Biodiversity			
304-1	Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our environmental aspects	72, 73
304-2	Significant impacts of activities, products and services on biodiversity	Our environmental aspects	72, 73
304-3	Protected or restored habitats	Our environmental aspects	72, 73
305. Emissions			
305-1	Direct (Scope 1) GHG emissions	Our environmental aspects	64, 65
305-2	Indirect (Scope 2) GHG emissions	Our environmental aspects	64, 65
305-3	Other indirect (Scope 3) GHG emissions	Our environmental aspects	64, 65
305-4	GHG emissions intensity	Our environmental aspects	64, 65, 83
305-5	Reduction of GHG emissions	Our environmental aspects	64, 65, 68
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Our environmental aspects	83
306. Waste 2020			
306-1	Waste generation and significant waste-related impacts	Our environmental aspects	76-78
306-2	Management of significant waste-related impacts	Our environmental aspects	76-78

STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
308. Supplier Environmental Assessment			
308-1	New suppliers screened using environmental criteria	Our business value	52-56
401. Employment			
401-1	New employees and employee turnover	Business model, Our people	22, 23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people	22, 23
403. Occupational Health and Safety			
403-1	Occupational health and safety management system	Our people	30-37
403-2	Hazard identification, risk assessment and incident investigation	Our people	30-37
403-3	Occupational health services	Our people	30-37
403-4	Worker participation, consultation, and communication on occupational health and safety	Our people	30-37
403-5	Worker training on occupational health and safety	Our people	30-37
403-6	Promotion of worker health	Our people	30-37
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our people	30-37
404. Training and Education			
404-1	Average hours of training per year per employee	Our people	19
405. Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Our people, CSR governance at SGD Pharma	9, 82
406. Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		-
413. Local communities			
413-1	Operations with local community engagement, impact assessments and development programmes	Our local initiatives	54, 66, 78
414. Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Our business values	56
416. Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		-

PRODUCTION PROCESS

OUR PRODUCTION PROCESS FOR TUBULAR GLASS

With more than 100 years of know-how inherited from Saint-Gobain, SGD Pharma is a world-renowned technical center of reference in the glass packaging arena.



Step 1: Tube Feeding

The raw materials are glass tubes supplied from renowned manufacturers like Schott and NEG. Clear or amber, the tubes are made of neutral borosilicate glass (5.0 expansion family) with a high degree of hydrolytic resistance. Tubes are loaded by a robot on a rotative machine.

Step 2: Forming

The tubes are heated, shaped and cut to give the dimensional parameter in 3 main steps:

- Shoulders and neck forming (including 100% on-line dimensional inspection)
- Tubes parting: heating and cutting to set vial height
- Bottom glazing: heating, glazing and cooling.

Step 3: After forming

Vials are cooled down and blown with filtered air.

- 100% on-line inspections of:
- Total length and bottom concavity by electromechanical gauge
 - Internal neck diameter by camera.

Step 4: Annealing

Vials are individually picked and placed on the conveyor belt of the annealing Lehr with no glass contact.

Perfect annealing to release residual stresses through a monitored thermal cycle.

Step 5: Final inspection and packing

Final inspections under clean room conditions. Optional cosmetic inspection by off-line camera. Vials are packed in shrink-wrapped PP trays or in cleanpacks and then palletized.

GLOSSARY

UN Global Compact

A voluntary initiative based on CEO commitments to implement universal sustainability principles.

CDP

A not-for-profit which supports companies, cities and other organisations in disclosing their environmental impacts, including climate change, water, forests and supply chains.

EcoVadis

A ratings platform to assess corporate social responsibility and sustainable procurement.

Greenhouse gases

Gases that absorb and emit radiant energy within the thermal infrared range. GHGs contribute to the greenhouse effect and lead to global warming.

Scope 1 emissions

Direct GHG emissions from sources that are owned or controlled by the company. They include, among other things, on-site fossil fuel emissions, process emissions and fleet fuel consumption.

Scope 2 emissions

Indirect emissions from sources that are owned or controlled by the company. It includes emissions that result from the generation of electricity, heat or steam purchased by the company.

Scope 3 emissions

All indirect emissions (not included in Scope2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

CO₂ equivalent

A single unit of measurement for comparing the impacts of different GHGs in terms of their contribution to global warming.

SA8000

An international certification standard that encourages organisations to develop, maintain and apply socially acceptable practices in the workplace.

ISO 14001

An international standard that specifies requirements for effective environmental management systems. It provides a framework that organisations can follow, rather than establishing environmental performance requirements.

ISO 45001

An international standard that specifies requirements for occupational health and safety (OH&S) management systems, with guidance for its use, to enable an organisation to proactively improve its OH&S performance in preventing injury and ill-health.

ISO 50001

An international standard that specifies requirements for establishing, implementing, maintaining and improving energy management systems, whose purpose is to enable an organisation to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security, energy use and consumption.

Conflict minerals

Resources that are mined and used to influence and finance armed conflict, human rights abuses and violence.



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