



# ENVIRONMENT



At Sagemcom, acting to protect the environment firstly means designing products and services that contribute to preserving the planet's ecological balance. But it also means limiting the impact of its activities on the local ecosystems by taking the environmental and economic situations of different markets into consideration.



**A**s part of the ISO 14001 certification, Sagemcom's sites reduce the impact of their everyday operations on the environment. We focus closely on energy consumption, which represents the most significant aspect of the impacts of our sites. Thus in 2016, the overall impact of electricity on Sagemcom's sites dropped by 14% in relation to revenue, with a particular emphasis on our plant in Tunisia, which was ISO 50001-certified for energy management in 2015-2016.

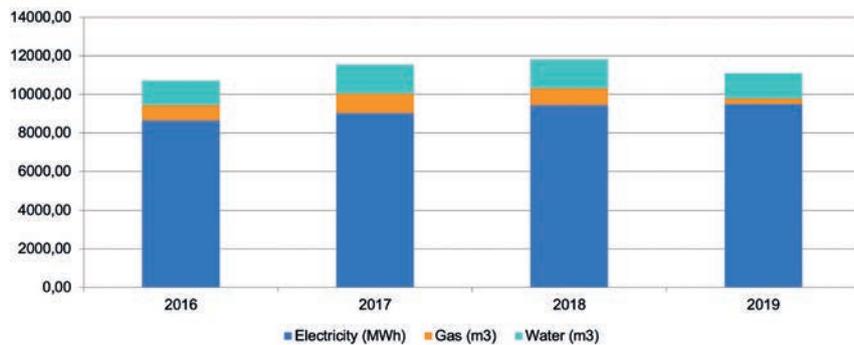
### Reducing consumption and emissions on our sites

Sagemcom established a policy to obtain ISO 14001 certification for its main operational sites over ten years ago. In accordance with the regulations, and those applying to classified facilities in particular, we are determined to control environmental aspects, such as pollution of the air, water and soil, noise nuisances, waste production, consumption (water, energy, etc.) and the management of hazardous substances.

These measures are taken in our establishments under the responsibility of the Site Manager, in close collaboration with the environmental officers and according to continual improvement processes.

In comparison with the preceding years, an analysis of the 2019 water / gas / electricity consumption demonstrates the importance of the energy efficiency of our sites, relative to other forms of consumption.

Our production plant in Tunisia is particularly close to the heart of our environmental concerns and benefits from specific energy controls in the form of an ISO 50001-certified management system.



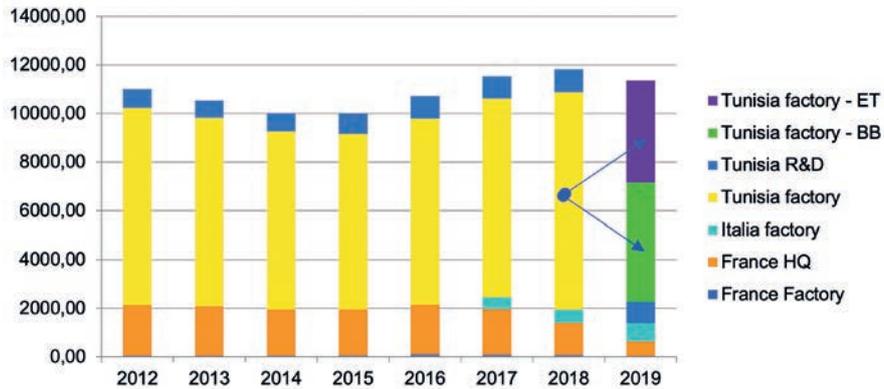
*Breakdown of Sagemcom's annual carbon impact*

Electricity is the main source of Sagemcom sites' environmental impact, mainly due to production in Tunisia, separated into 2 plants in 2019: the Ben Arous factory (for metering products) and the Ezzahra factory (for Broadband and audio-video products).

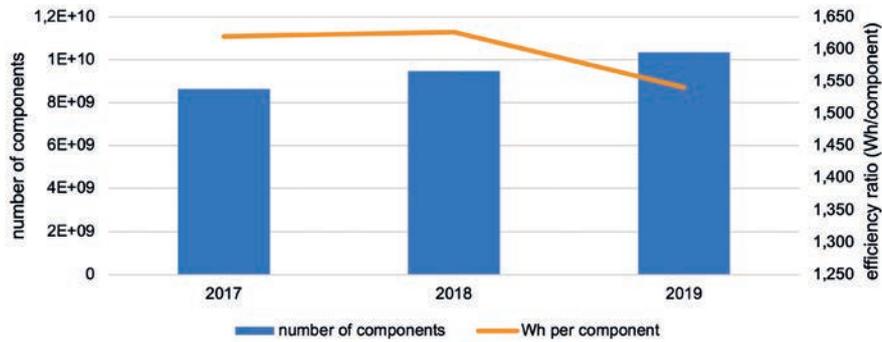
Overall, the impact of our sites in 2019 decreased by 4% compared with 2018. This performance can be explained in particular by the deployment in France of the use of electricity of renewable origin, as well as 100% carbon offsetting of our gas consumption (both for production and offices, on all French sites). In addition, upgrading our factories has been extremely beneficial:

- Our overall energy intensity in production decreased by 5% in Tunisia in 2019 compared with 2018.
- Our gas meter factory in Italy has reduced its energy intensity by 26% in two years.

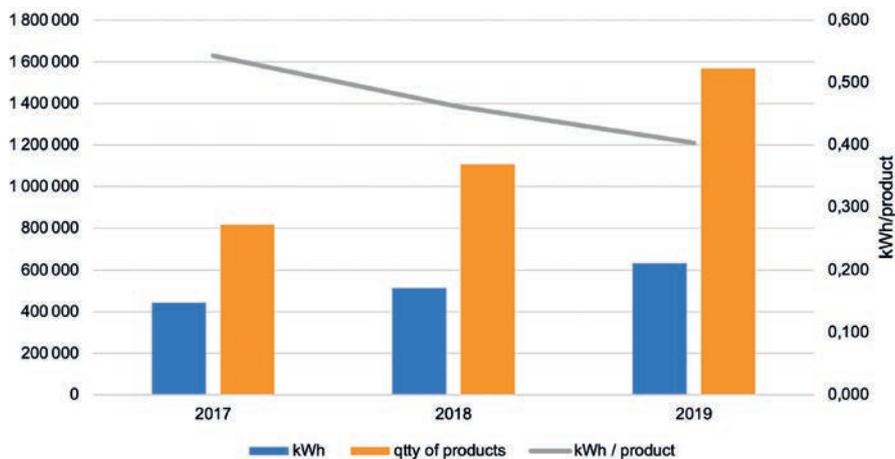
Overall, the improvement in our processes has resulted in a 36% reduction in the impact relative to turnover between 2015 and 2019.



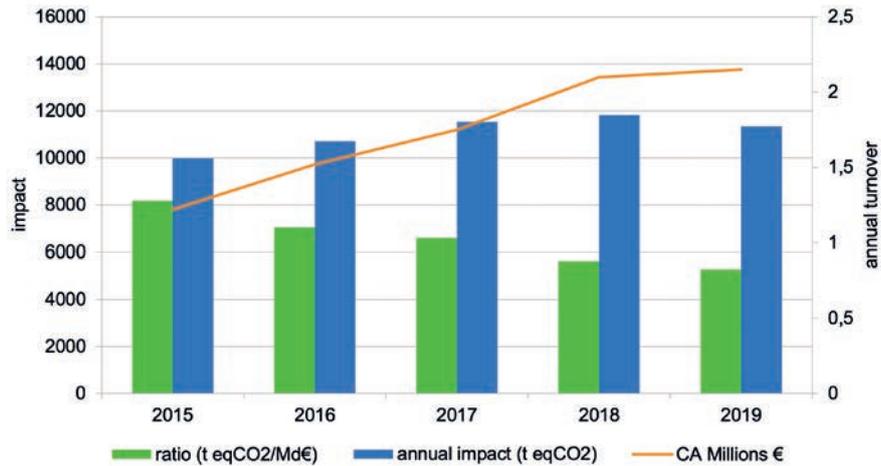
Annual carbon impact of the group's consumption, by site (tonnes eq. CO2)



Change in production in Tunisia and corresponding energy intensity



Relationship between production, consumption and intensity in Italy



Rate of return: impact of consumption/turnover

### A concrete case

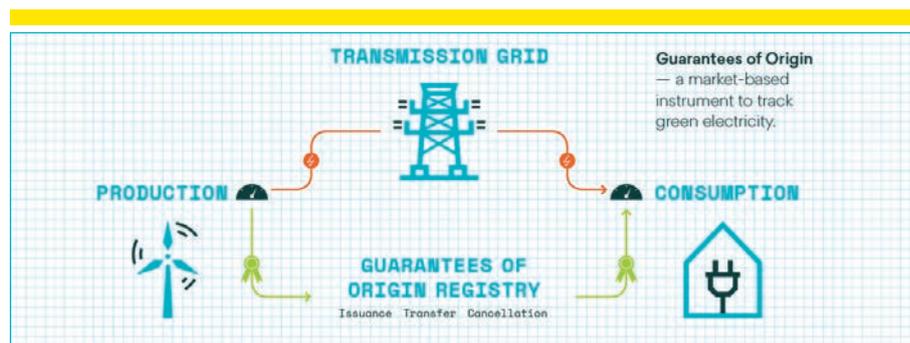
Our site in Rueil-Malmaison hosts the group's head office and the Sagemcom Energy & Telecom subsidiary, including its R&D activity. Our site in Rueil-Malmaison accounts for about 25% of the group's electricity consumption and 75% of its gas consumption. Therefore, it is quite legitimate to promote the environmental approach of this site, which is primarily dedicated to intellectual activities. Three major areas have been developed to control electricity consumption, gas consumption and waste management.

### Electricity consumption: electricity from renewable sources

As part of its ISO 14001 management, Sagemcom has opted, not only to take steps to reduce its energy consumption, but also to contribute to the development of renewable energy by signing a contract on 1 July 2017 for the supply of electricity that is certified as coming from renewable sources equivalent to the consumption of our sites in Rueil-Malmaison (head office) and Taden (production of smart meters), or 100% of its consumption in France. This promise is materialised by the production of Guarantees of Origin.

This means that our electricity supplier agrees to inject renewably produced electricity into the grid.

A Guarantee of Origin represents one megawatt hour of electricity produced in a given month and contains all the relevant information about the power plant. At the end of each month, the producers receive Guarantees of Origin indicating the net electricity that is actually injected into the grid. This is the issuing process. These certificates can be electronically transferred and used to confirm the renewable nature of the energy consumer by the end users.



Our utility injected about 17,154 MWh into the grid on Sagemcom's behalf from sustainable sources of production in France since the implementation of this measure (6,600 MWh in 2019). This operation reduced emissions by an estimated 2,200 tonnes CO2 equivalent between July 2017 and December 2019.

### Gas consumption

In December 2018, a carbon-neutral option was added to our gas supply contract, meaning that every MWh of gas consumed is compensated. Sagemcom has gone even further by promising to inject the equivalent of 30% of our consumption in biomethane produced in waste-to-energy units in France. 3,684 MWh of gas were consumed in France in 2019, representing a quantity of 1,105 m<sup>3</sup> of biogas re-injected into the network on our behalf.

### Waste management

We work with several service providers to optimise our recycling circuits that go beyond our regulatory obligations. The partnership established with Cedre Recyclage in 2018 was extended into 2019. This company aims to actively participate in the protection of the environment and to help disabled people find work. In 2019, Cèdre collected 13 tonnes of waste:

- 18.44% of which was wood from pallets
- 60.39% of which was used furniture
- 1.46% of which was paper
- 16.58% of which was other waste

The enterprise achieved significant environmental gains:



In 2019, Sagemcom chose to engage with new partners to promote waste recycling. On the Rueil-Malmaison campus, plastic cups are collected by Triethic, an eco-responsible company specialising in collection and recycling in Île de France for tertiary activities. The collected cups are then weighed and packaged to be transformed into reusable raw material.

Plastic bottles are collected by the Rueil-Malmaison city collection services to then be sent to the sorting centre, for recycling in order to become plastic bottles again.

As for the plastic caps, they are also collected on the Rueil-Malmaison site, to be then taken care of by the Bouchons d'Amour association. By reselling the caps to recycling plants, this association finances actions to support the disabled, such as the financing of equipment for disabled sports clubs, guide dogs or many other facilities intended to improve the daily life of disabled people. Our Group is therefore proud to contribute to the organisation of such worthy initiatives, which at the same time preserve the environment.