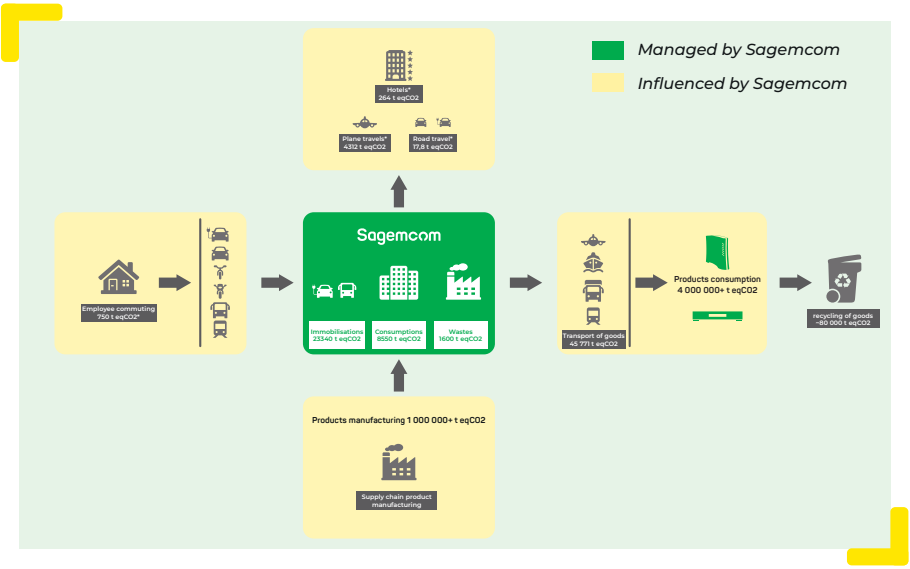
Environment

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 as part of a global approach to the fight against climate change.

The combat against climate change is a major issue for every enterprise. As a responsible enterprise, Sagemcom has been addressing this issue for many years through the environmental management of its sites, by monitoring the manufacturing sites of our partners and, most importantly, by ecodesigning our products and services.

We can adopt a global approach and identify our environmental priorities by analysing what we consume and the waste we produce.



We then launch action plans to reduce our environmental impact, in accordance with the priorities we have identified.
Controlling the environmental impact of our activities is important, as is limiting the impact of our products, in particular by reducing their energy consumption.

We can adopt a global approach and identify our environmental priorities by analysing what we consume and the waste we produce

Reducing consumption and emissions on our sites

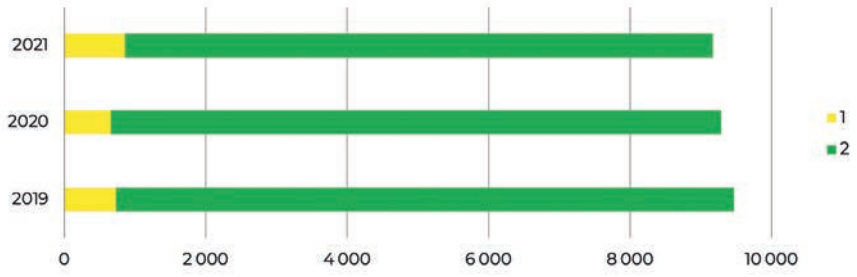
Sagemcom established a policy to obtain ISO 14001 certification for its main operational sites over 10 years ago. In accordance with the regulations, and those applying to classified facilities in particular, we are determined to control environmental aspects, such as pollution of the air, water and soil, noise nuisances, waste production (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 continuous improvement processes.

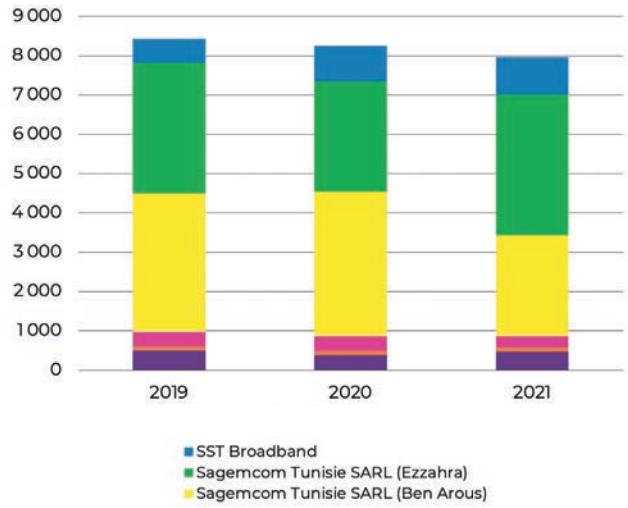
In comparison with the previous years, an analysis of our gas / electricity consumption in 2021 (scopes 1 and 2 of our carbon balance) demonstrates the importance of the energy efficiency of our sites, relative to other forms of consumption. (Note: the history of our impact was reassessed in 2020 using more recent emission factors that changed the values published in the preceding reports).

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

An analysis of our environmental impact with the carbon balance method produces the following results:



The carbon impact of the Group's main operational sites, scopes 1 and 2



Breakdown of main Sagemcom sites' annual carbon impact

In 2021, the global impact of our sites decreased by 7%, in comparison with 2020

Electricity is the main source of the environmental impact of Sagemcom's sites, mainly due to our manufacturing activities in Tunisia, which were split into two plants in 2019: the Ben Arous plant, which makes metering products, and the Ezzahra plant, which makes broadband and audio-video products.

In 2021, the impact of our sites decreased overall by 7%, in comparison with 2020. This reduction can be explained in particular by the use of renewable electricity in France and the 100% carbon offset of our gas consumption, for both manufacturing and the offices on all our sites in France. In addition, the upgrade of our production plants was also highly beneficial:

- All our sites are pursuing their efforts to buy green energy. Our sites in Italy and Germany switched to renewable energy supplies in 2021.
- Our overall energy intensity in manufacturing in Tunisia decreased in 2021, in comparison with 2020. While the Ben Arous plant remained stable, at 32.68 kWh per 10,000 installed components, the Ezzahra plant recorded a 3.81% decrease to 9.84 kWh per 10,000 installed components.

Overall, the improvement of the efficiency of our processes has resulted in a 10% reduction of the impact relative to turnover between 2020 and 2021.

A concrete case

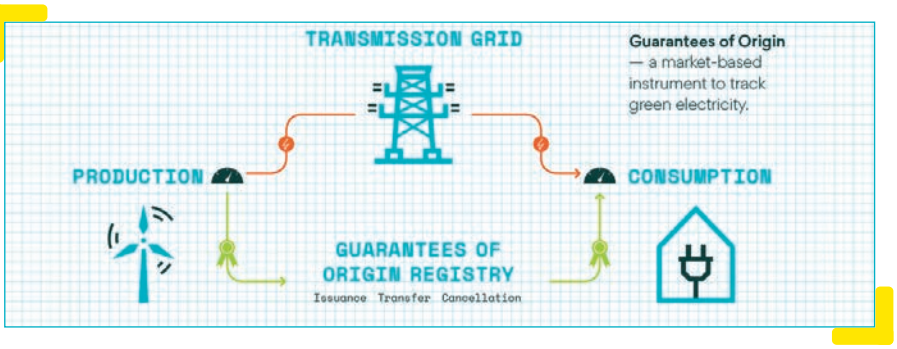
Our site in Rueil-Malmaison hosts the Group's head office and the Sagemcom Energy & Telecom subsidiary, including its R&D activity. The site accounts for about 25% of the Group's electricity consumption and 75% of its gas consumption. Therefore, it is quite legitimate to promote the environmental approach of this site, which is primarily dedicated to intellectual activities. Consequently, three main priorities were identified to reduce our consumption of electricity and gas and the management of waste.

Electricity consumption: electricity from renewable sources

We work with several service providers to optimise our recycling circuits that go beyond our regulatory obligations

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 1 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 has injected about 28,481 MWh from sustainable sources of production in France into the grid on Sagemcom's behalf, since this measure was introduced (5,149 MWh in 2021). The policy to purchase renewable energy was extended to our European sites in 2021.

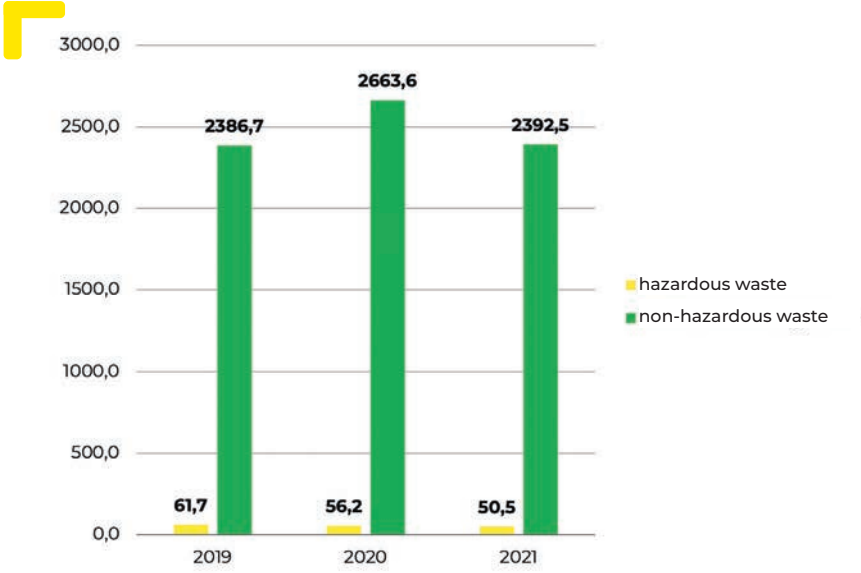
Gas consumption

Our gas supply contract has included the biogas option, since it was renewed in December 2018. Sagemcom has promised to inject the equivalent of 30% of our consumption in biomethane produced in waste-to-energy units in France 2,554 MWh of gas were consumed in France in 2021.

Waste management

We work with several service providers to optimise our recycling circuits that go beyond our regulatory obligations.
Each site sorts its fractions of waste according to the disposal channels that are available locally.

The tonnages are illustrated below.



Breakdown of the Group's tonnages of waste

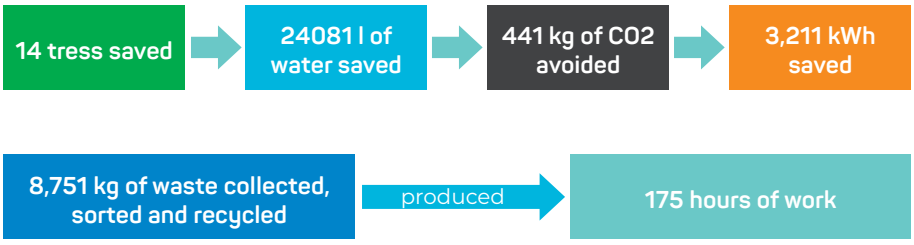
Each site sorts its fractions of waste according to the disposal channels that are available locally

A practical example: our head office in Rueil-Malmaison

The partnership formed with Cèdre Recyclage in 2018 was renewed in 2020. This enterprise aims to actively participate in the protection of the environment and to help disabled people to find work. In 2020, Cèdre collected 9.9 tonnes of waste:

- 13.47% of wood from pallets
- 77.10% of used furniture
- 8.54% of paper
- 0.89% of other waste

The environmental gains are significant:



(data from the 2021 Cèdre annual report)

Since 2019, Sagemcom has teamed up with new partners to recycle more waste. On the campus in Rueil-Malmaison, plastic goblets are collected by Triethic, an ecologically responsible company specialised in the collection and recycling of waste for companies in the tertiary sector in the Paris region. The collected goblets are weighed and packaged, before being transformed into a reusable raw material.

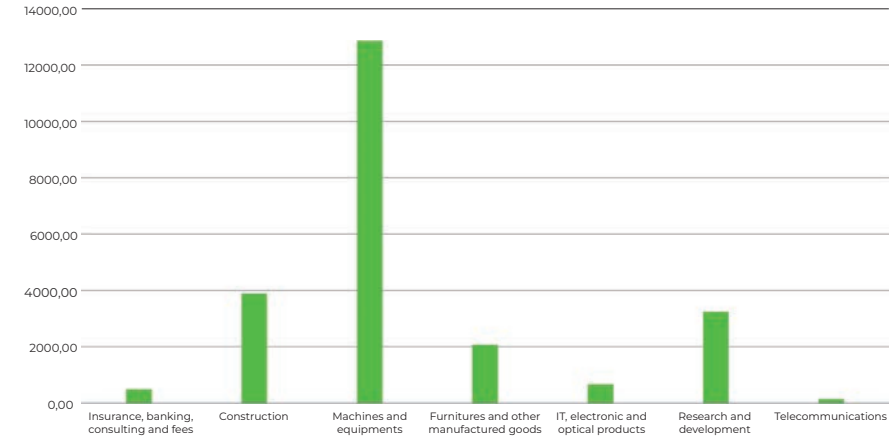
Plastic bottles are recovered by the Rueil-Malmaison town council waste collection department, shipped to a sorting centre and then recycled to make new plastic bottles.
Plastic bottle tops are also collected on the Rueil-Malmaison site and recovered by the "Bouchons d'Amour" NGO. This association sells the bottle tops to recycling centres and uses the income to fund actions in support of people with disabilities, such as buying equipment for parasports clubs, paying for

guide dogs, and many other situation taken to improve the daily lives of people living with a disability. Our Group takes pride in helping to organise these praiseworthy actions, while protecting the environment at the same time.

Sagemcom has always pursued an in-house manufacturing policy, with its own means of production

Asset management (scope 3)

Sagemcom has always pursued an in-house manufacturing policy, with its own means of production. This choice was made to guarantee continuity of business activity when the supply chain is disrupted. This strategy clearly demonstrated its worth during the COVID-19 pandemic and it is a valuable tool that enables us to anticipate any potential disruptions that will eventually be caused by climate change. This strategy is also reflected in our scope 3, which includes our assets and investments and has a higher impact than our scopes 1 and 2. Therefore, it is important to manage these assets efficiently by rationalising our needs and qualifying all new equipment according to environmental criteria.



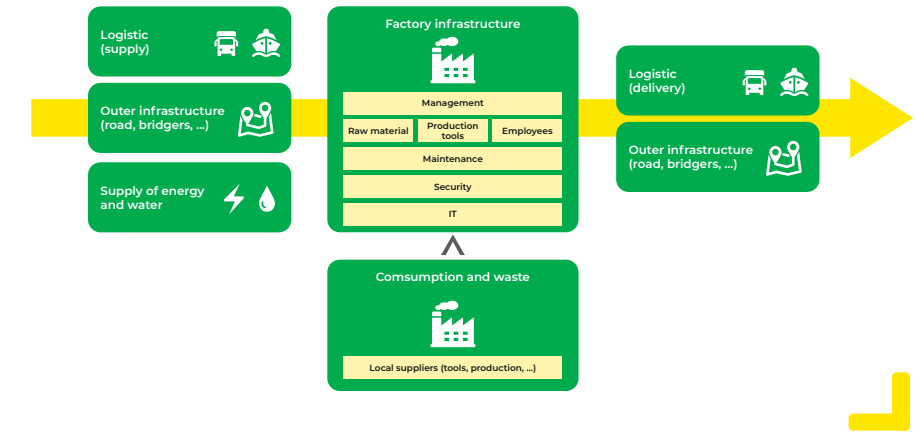
scope 3 - assets and investments

Monitoring the impacts of our suppliers

In addition to the conformity audits that we conduct, we also work very closely with our main manufacturing partners on environmental impacts. Their environmental impacts are monitored and they are encouraged to propose solutions that reduce operational impacts, in particular with regard to energy consumption and waste management.
This balance takes account of electricity consumption, heating (gas) and fuel oil consumption.

Minimising impacts that contribute to climate change

An assessment was conducted to measure the sensitivity of our activities, and those of our suppliers, to climate change. The goal was to complete the risk analysis, optimise the management of our business continuity plans and to work with our suppliers to reduce this sensitivity.
The climate-related risks were assessed by adopting a PESTEL approach that examines both physical and transitional risks. Each of the identified risks and opportunities resulted in short-, medium- and long-term actions intended to minimise the risks and amplify the opportunities.



Our suppliers were assessed using an FMEA-type model that included climate-related, political and social risks, risks related to the supply chain and infrastructure, and risks to health and safety.