

ENVIRONMENT



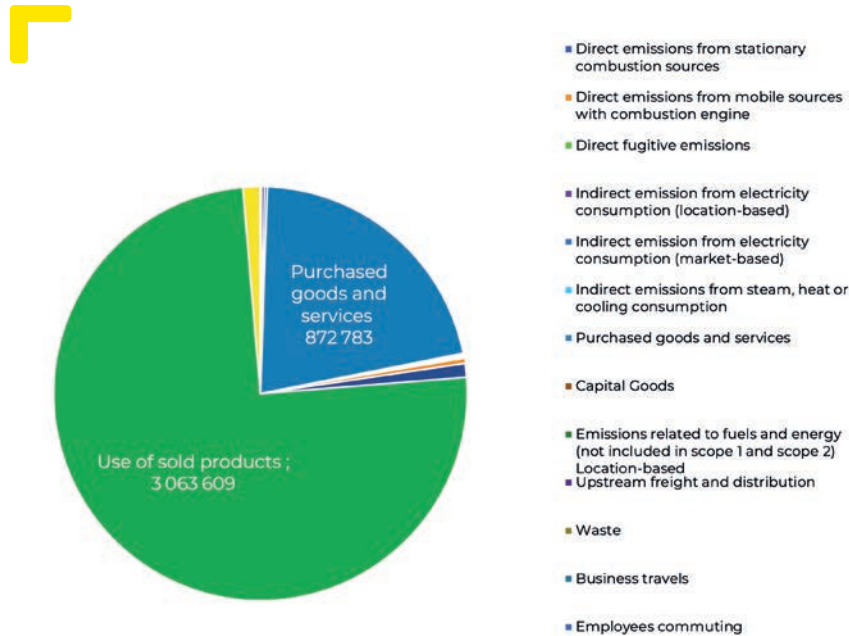
At Sagemcom, acting to protect the environment firstly means the planet's ecological balance. But it also means limiting the environmental and economic situations of different markets against climate change.



is designing products and services that contribute to preserving the impact of its activities on the local ecosystems by taking the into consideration as part of a global approach to the fight

The fight 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.

In order to define the Group's environmental priorities, greenhouse gas audits of our activities have been carried out for many years. The results of these analyses are checked by our statutory auditor Deloitte. In 2023, all of the Sagemcom Group's activities emitted approximately 4,080,000 tons of CO2 in the different categories of the GHG protocol, as shown below.



Breakdown of Sagemcom's annual carbon impact

Reducing this impact is a strategic goal for Sagemcom. Which is why we have set ambitious reduction targets in line with the COP21 Paris Agreements:

- Scope 1 and scope 2: -47 % (compared to 2019) by 2030, then -90 % by 2040
- Scope 3: -31 % by 2030, then net zero by 2040.

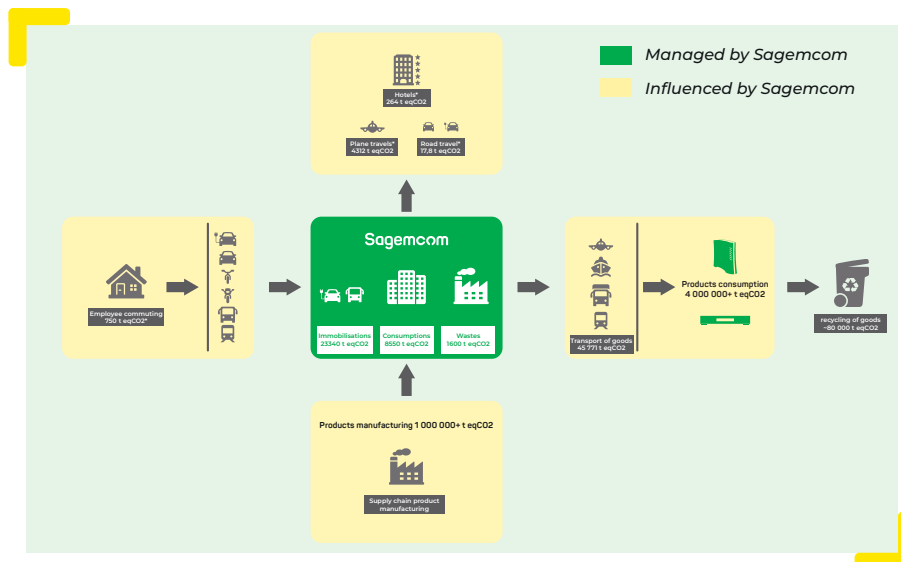
We have joined the Science Based Targets initiative to manage this policy, so that these targets, the data and the corresponding action plans can be monitored. The validated results for 2023 show that our total carbon impact has decreased by 18.7 % in comparison with our baseline year (2019), despite an increase in revenue of more than 45 %.

The environmental management of our sites

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. Sagemcom has been pursuing a policy to obtain

ISO 14001 certification of its main operational sites for more than 10 years, in order to reduce their consumption and emissions.

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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 preceding years, an analysis of our gas / electricity consumption in 2023 (scopes 1 and 2 of our carbon footprint) demonstrates the importance of the energy efficiency of our sites, relative to other forms of consumption.

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 a management system aligned with ISO 50001.

Environmental risk analysis

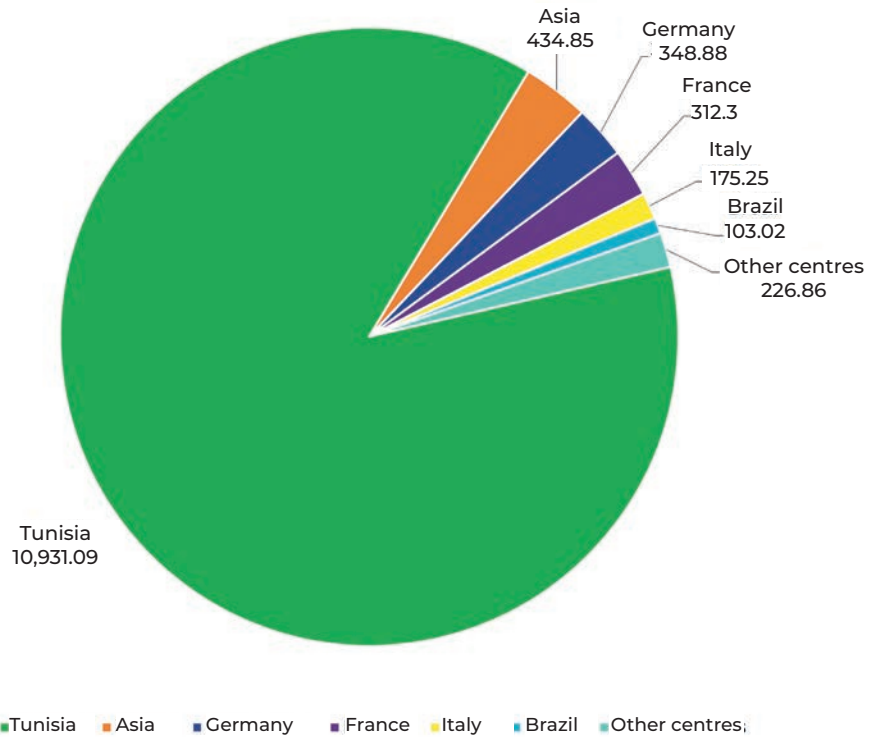
Sagemcom's operational sites are ISO 14001-certified. Environmental risk analyses are conducted and systematically renewed every year in order to identify and address the most significant environmental aspects of our activities. Overall, the main aspects we focus on, according to these analyses, are electricity consumption and waste management. Water is also an important subject, since our largest manufacturing sites are located in regions exposed to water stress.

Electricity consumption

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 contracts for electricity that is certified as coming from renewable sources for the entire consumption of our sites, wherever possible. This promise is materialised by the production of guarantees of origin. This means that our electricity suppliers agree 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 according to 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 consumed by the end users.

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However, green energy contracts are not available in all the countries where we operate, and particularly in Tunisia where the group's manufacturing plants that consume the most energy are located. This is why we installed our own



Indirect emissions related to electricity in CO2e tonnes per country



A photovoltaic power plant has been installed on the car park of Sagemcom's manufacturing site in Ben Arous.

It can generate 1 MW of electricity and will meet 15 % of the plant's energy needs. This ecological initiative directly fulfils the Group's commitments outlined in pillar 1 of our mission-driven company. In addition, the solar panel canopies will allow Sagemcom's employees to park their vehicles in the shade.



solar power plant in the car park of our Ben Arous plant in 2023, which meets 15 % of our annual energy needs, and we plan to increase this production capacity in the years to come.

Water management

Water is a key resource all over the world. Therefore, it is essential that companies manage the water consumption of their activity, take the availability of freshwater into account and prevent water pollution.

Most of Sagemcom's sites are located in areas where freshwater is available. Nevertheless, we minimise our water consumption, because water is a worldwide issue. Most of the water that Sagemcom consumes is used for sanitary purposes. Every site has consumption indicators and targets in order to actively measure and reduce water consumption by taking various actions: reduction of the quantity of water used to flush toilets, taps that reduce the water flow-rate and reuse of the grey water from the hand basins in the toilet blocks.

“Water is also an important subject, since our largest manufacturing sites are located in regions exposed to water stress.”

By way of example, our new head office, which opened in December 2023, aims to reduce water consumption by 55 % in comparison with the previous site. The following measures have been taken to reduce water consumption:

- Fittings that save water: hand basins (maximum of 2 litres per minute, compared with the previous consumption of 12 litres per limit), dual flush toilets (3/6 litres) and showers (6 litres per minute);
- Filtering, cleaning and reuse of the grey water (from hand basins to toilets);
- Monitoring of consumption with metering per use (sanitary/maintenance/technical equipment), leak detection systems and rainwater sensors that dynamically adjust water consumption for green spaces.

In the sphere of production, our Ben Arous and Ezzahra manufacturing sites in Tunisia are located in regions exposed to water stress. Very close attention is paid to water consumption.

In addition, the production of smart water meters at Ben Arous requires water to be used as part of the qualification process. The production line is designed to minimise water consumption, while still meeting the metrological rules and requirements.

Water consumption and pollution are also taken into consideration in the life cycle analysis of our products. This enables us to identify the most important components with regard to this aspect, and to analyse the effects of our design options by balancing the various indicators, including water, to prevent the transfer of pollution. Consequently, we check whether the actions we take to reduce carbon have a negative effect on water.

Atmospheric pollution

The location of our manufacturing plants in the vicinity of urban areas makes the control of our discharges into the atmosphere all the more important. Our processes do not emit any heavy pollutants. The welding process of printed circuit boards is the main source of emissions. The production lines are connected to extraction and filtering systems that reduce emissions into the air. Measurements are regularly taken by third parties to make sure that we remain well below the emission limits.

The same principle applies to our suppliers, who must also control their emissions. This subject is checked in on-site audits that verify the facilities and the results of the third parties.

Emissions caused by transport are processed on a worldwide scale as part of our carbon emissions reduction programme.

Soil pollution

Sagemcom's activities do not directly affect the soil, because we do not directly use the soil. Nevertheless, since we manage our own premises and our own manufacturing activities, we must protect the soil against accidental leaks. We minimise the quantities of chemicals that could potentially pollute the soil under our buildings, and we implement procedures, deliver training and conduct tests to prevent leaks, and to be in a position to manage leaks in an emergency, whenever necessary. No leaks or soil pollution occurred at Sagemcom in 2023.

Since we also work with industrial partners, we need the same degree of protection. These points are verified in the course of audits of our suppliers' sites.

Biodiversity

The management of biodiversity involves several key considerations in order to minimise the environmental impact of our operations and products. This is a complex subject that demands efforts in several fields.

The impact of the Sagemcom group's activities on biodiversity is examined in the annual environmental analysis in accordance with the Standard ISO 14001. Every year, the impacts on water, air and soil are assessed by an environmental analysis, and the impacts on plants, animals and human habitat are closely monitored. Our environmental policy and our commitments aim to limit the impact of our activities on the local ecosystems, and to take the specifics of every environmental and economic situation into account in order to combat climate change on a worldwide scale.

By way of example, numerous initiatives have been taken at the Sagemcom

new head office to preserve biodiversity. First, the new head office was constructed on the site of a previous building, meaning that earth of a low ecological value was reused, instead of destroying virgin earth. The plot was also home to a limited number of wild animals, which were identified as being a minor concern.

Sagemcom also made an effort to green the site by covering approximately 9 % of the waterproofed surfaces with plants. More than 70% of the varieties of plants are local and more than 60% are of interest to the local fauna, in particular to nourish pollinators,

birds and other small animals, and to provide refuge and spaces for reproduction or nesting. Sagemcom has also installed equipment to encourage biodiversity, such as nesting boxes, anti-insect shelters and anti-reflective glass.

We also recognise the importance of biodiversity in our supply chain. However, the existence of biodiversity has not yet been measured. We plan to take this measurement in 2025 for our CSRD (Corporate Sustainability Reporting Directive) that is due in 2026, most probably according to the GBS (Global Biodiversity Score) methodology at this stage.

Waste management

The Group is striving to manage and reduce its waste, as a logical continuation of its status as a mission-driven company and its ISO 14001 certification. In addition to regulatory obligations, Sagemcom works with different service providers to optimise the quantities generated at source and the recycling channels. Each site sorts its fractions of waste according to the disposal channels that are available locally. Waste management is one of Sagemcom's targets, since the company aims to reduce its scope 3 in order to achieve the decarbonisation goals set and validated by the SBTi (Science Based Targets initiative).



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Sagemcom is also working to reduce the waste at source generated by its products, and to optimise product deconstruction in order to allow for refurbishing, etc.

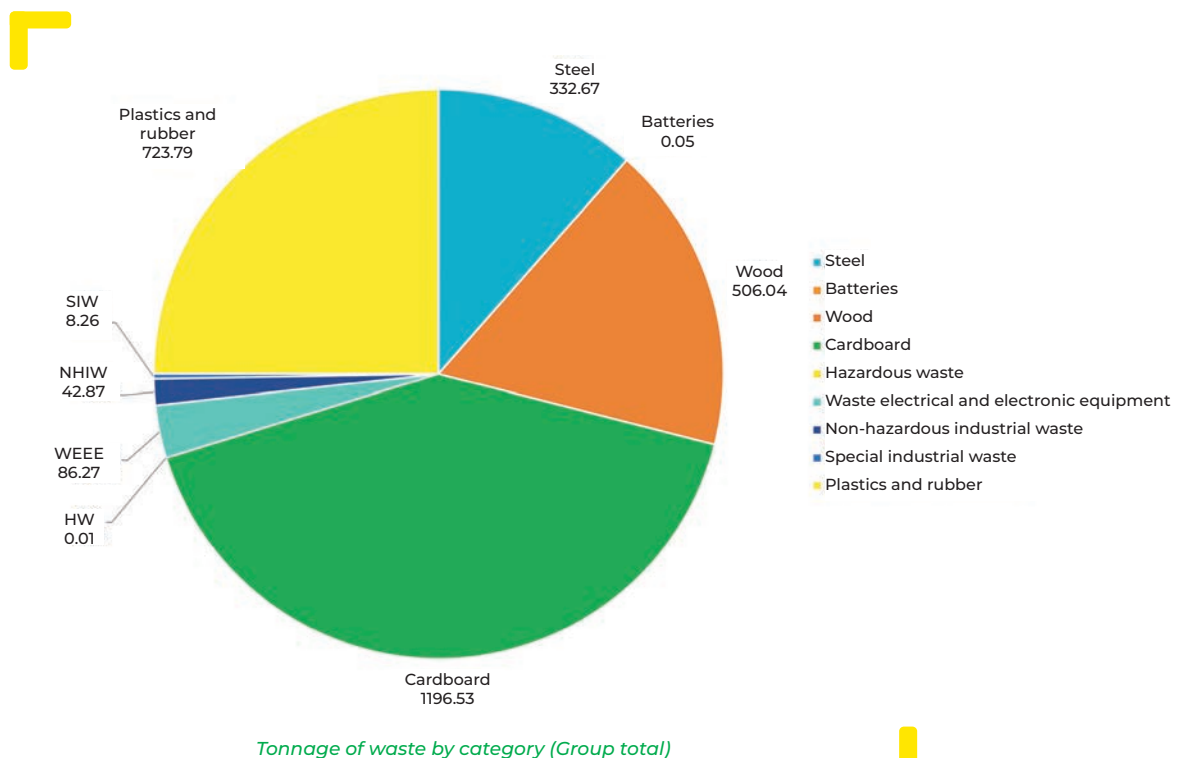
Here are some examples of the measures that have been taken to reduce the quantity of waste produced by Sagemcom's manufacturing plants:

- the raw materials from local suppliers are shipped in refundable plastic containers, instead of disposable cardboard boxes;
- third-party packaging that is properly adapted to the product families, thereby reducing the use of film and spacers and reducing the transported weight, without compromising the protection and safety of the product;
- removal of plastic packaging for accessories, such as cables, power supplies, heat sinks, casings, etc.

“Sagemcom also facilitates the recycling of its appliances, right from the design phase.”

Sagemcom also facilitates the recycling of its appliances, right from the design phase.

The combination of different types of materials can impact the recyclability of the appliance. Therefore, we take care to choose materials that are compatible with the recycling processes. Our appliances are then assembled in a way that facilitates their deconstruction and the separation of the various components.



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.

Monitoring the impacts of our suppliers

In addition to the conformity audits conducted by our teams, we also work very closely with our main manufacturing partners on reducing environmental impacts. 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. In 2022, Sagemcom joined the CDP and now asks its largest suppliers to complete the annual CDP questionnaire, in order to collaborate with the supply chain on this subject, train suppliers and make sure that all our partners pursue reduction policies that are compatible with our ambitions.



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, to optimise the management of our business continuity plans and to work with our suppliers in order 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.

CLIMATICS		INFRASTRUCTURE / HEALTH/SOCIAL			
High temperature	Yellow star	Airport site	Green star	Supplier	Yellow star
Low Temp	Yellow star	Seaport site	Green star	General strike	Yellow star
Wildfire	Green star	Train infra	Green star	Nuclear	Red star
Water/Food/energy	Green star	Local supplier	Green star	Manufacturing risk	Red star
Water: Flood	Green star	Energy: power external infra network	Green star	Power: electrical disturbances	Yellow star
Thunderstorm	Green star	Supplier: health, safety, security	Red star	Internet: Backup risk	Red star

