

ETHICS AND ECONOMICS



Sagemcom's purchasing policy shared with the Group's suppliers: quality, price, lead-times, innovation, respect for the environment.

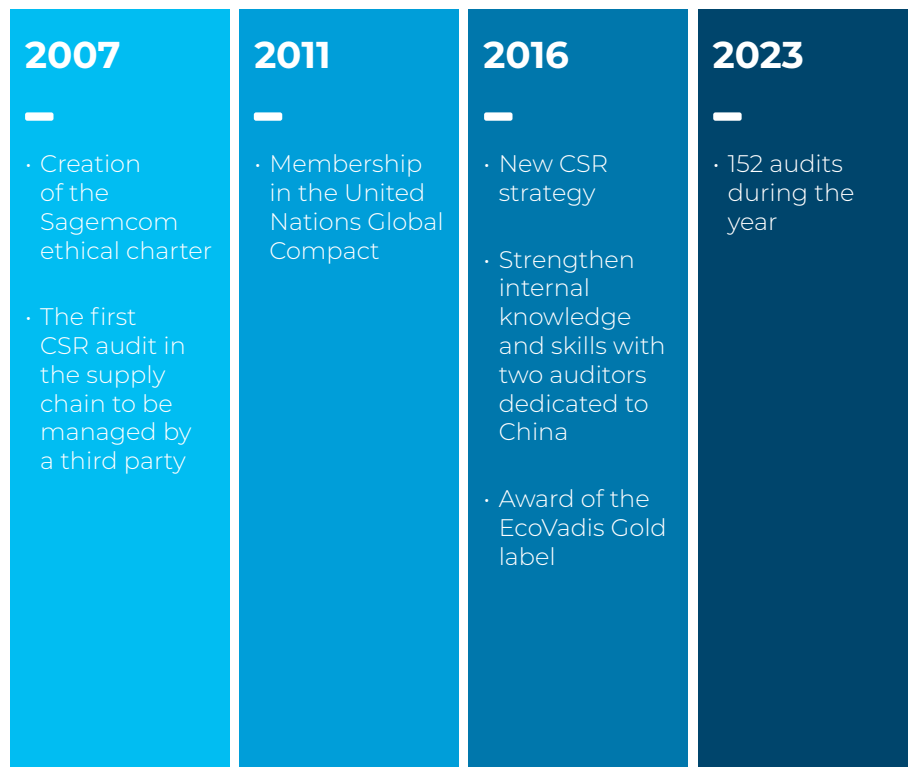
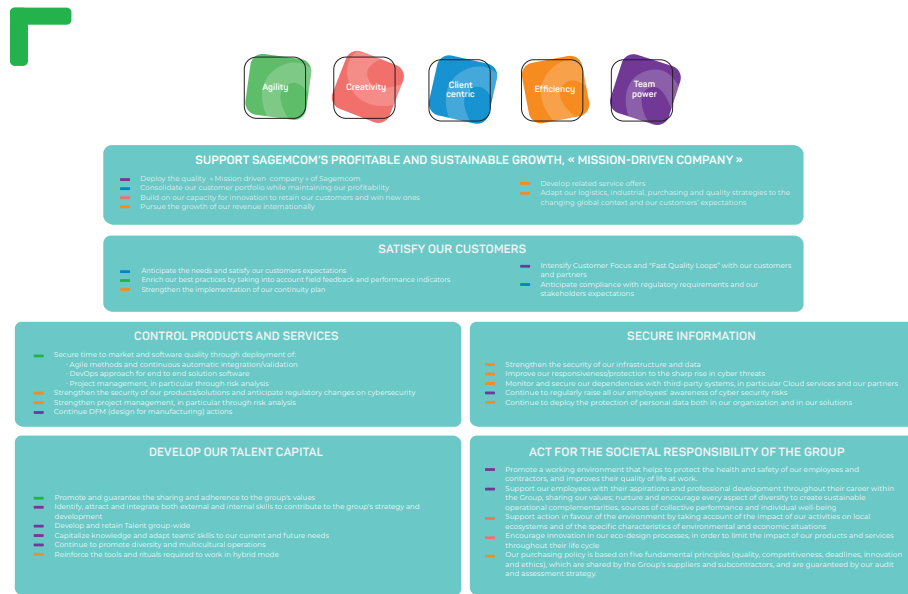


ers and subcontractors is driven by six fundamental principles:
ent and ethics.

“Our suppliers have been involved in Sagemcom’s CSR initiative for several years. On the highly competitive markets where we operate, these are essential differentiating factors of Sagemcom’s global performance in the eyes of our customers. The people who work in Purchasing, and who are responsible for our relations with our suppliers, are naturally heavily involved in this initiative through our processes.”

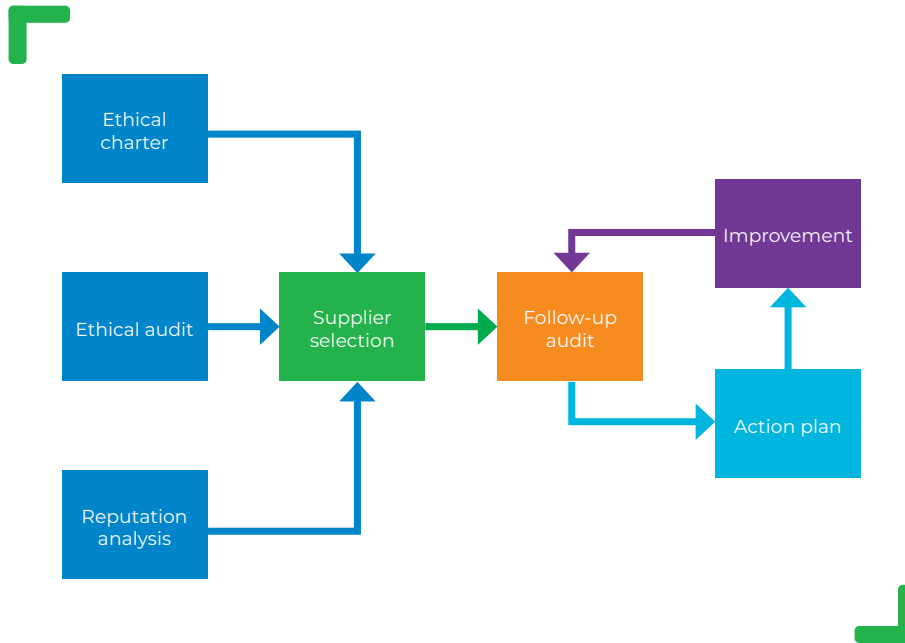
Thibault Decoudun, Group Director, Purchasing

Our work streams are identified within our purchases pursuant to our corporate policy:



In 2006, Purchasing launched the Suppliers' Ethics initiative, which is applicable to all our suppliers and is formally defined in an ethical charter, as part of a long-term drive for progress.

Our suppliers are selected and improved according to a clearly defined procedure that is deployed using three tools:



In all cases, this initiative is intended to be positive and collaborative, in order to progress the entire supply chain.

Every new supplier must thus adopt this approach. Before joining our supplier portfolio, every new supplier must sign Sagemcom's ethical charter. ESG analysis tools are used to examine a supplier's reputation in order to gain a comprehensive view of their history.

The results obtained make it possible to draw up the first assessment of supplier compliance and areas for improvement.

Once committed to our Ethical charter, each supplier is obliged to respect the rules and to supply the items required during the audits. These audits are not only key steps in confirming the supplier's status, but also make it possible to jointly draw up the improvement plan to reach the requisite level.

In order to strengthen our initiative, Sagemcom joined the Responsible Business Alliance (RBA) in 2022, in order to contribute to the collective effort of the electronics industry by aligning its working methods and triggering the synergies enabled by this grouping in terms of audits and monitoring.

“Before joining our supplier portfolio, every new supplier must sign Sagemcom's ethical charter.”

The RBA website: <https://www.responsiblebusiness.org/>



Ethical charter

The Sagemcom Group's Ethical Charter is based, among others, on the international labour conventions of the International Labour Organisation (ILO), the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and the RBA Code of Conduct. It is based on 11 key principles:

By signing this charter, suppliers agree to promote and respect the above principles, and to incite their own subcontractors and suppliers to do likewise.

The ethical charter favours even greater transparency between Sagemcom and its suppliers by explaining the conditions of audits that may be carried out on the supplier's premises, or those of its own

subcontractors.

Suppliers must agree to accept audits in accordance with the ethical charter.

On-site audits

Audits are organised every year, on the basis of a complete risk analysis that covers the manufacturing plant, the technologies used and the processes, to verify the status of the suppliers in our purchasing panels and to support them in their improvement process. Consequently, 152 audits were carried out in 2023 on different supplier portfolios in order to have the most complete view possible of our supply chain.

“Audits are conducted every year to verify the status of the suppliers in our purchasing portfolios and to help them with their improvement process.”

What is prohibitive

- Child labour
- Forced labour
- Fatal risks
- Incomplete data
- Refusal to collaborate

What is unacceptable – to be corrected immediately

- Uncontrolled chemicals
- Dormitories that are locked / do not have an emergency exit
- Discrimination
- Corporal punishment, physical or mental harassment
- No authorisation to operate (Env)

What is critical: to be corrected as a priority

- Unsafe working conditions
- Poor living conditions (insalubrious dormitories, etc.)
- Excessive working hours
- Failure to pay the minimum wage
- Absence of anti-corruption processes

These audits include 185 areas being checked. Certain points demand closer attention and guide our conduct towards our suppliers:

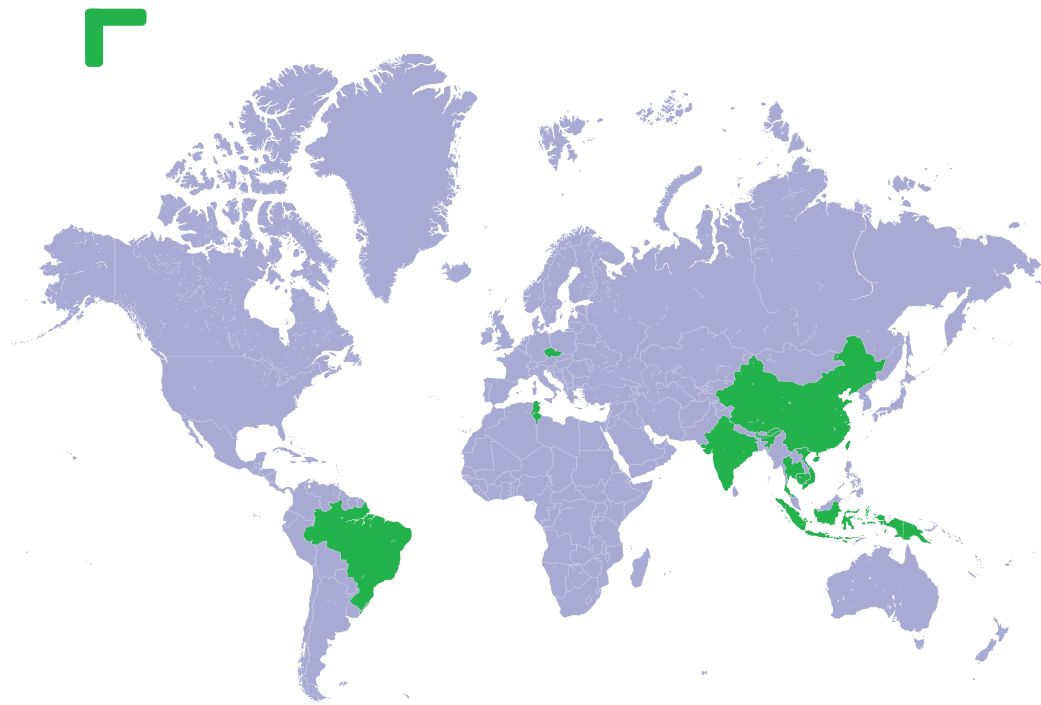
In order to have the most complete view possible and to ensure an independent verification, we use third-party auditors during the first supplier audit. A Sagemcom auditor systematically assists these audits, which facilitates the follow-up thereafter, with better knowledge of the factory and the non-conformities identified.

Once the audit has been completed, the auditors draw up a comprehensive report for the supplier. In the event of non-compliance, Sagemcom demands a corrective action plan and proceeds with the necessary follow-up audits. If the supplier does not respond within three months, a follow-up audit is systematically conducted. If the corrective measures are deemed to be insufficient, another audit takes place. The lack of progress on successive audits calls into question the commercial relationship between Sagemcom and the supplier. If the instances of non-compliance are prohibitive (child labour, forced labour or working conditions that put the lives of employees in danger), Sagemcom puts an end to all its business dealings with the supplier. The latter is then delisted and "blacklisted" within Sagemcom.

These audits are also an opportunity to discuss practices more generally with the suppliers and to assist them in their improvement processes, by providing follow-up indicators and in sharing good practices observed elsewhere. The indicators are particularly useful tools for monitoring the progress made by our suppliers and having a shared vision for the objectives to be achieved.

We have observed a real change amongst our main suppliers, who have made significant progress, especially in the protection of the health and safety of their employees, all around the world.

“ We have observed a genuine change amongst our main suppliers, who have made significant progress.”



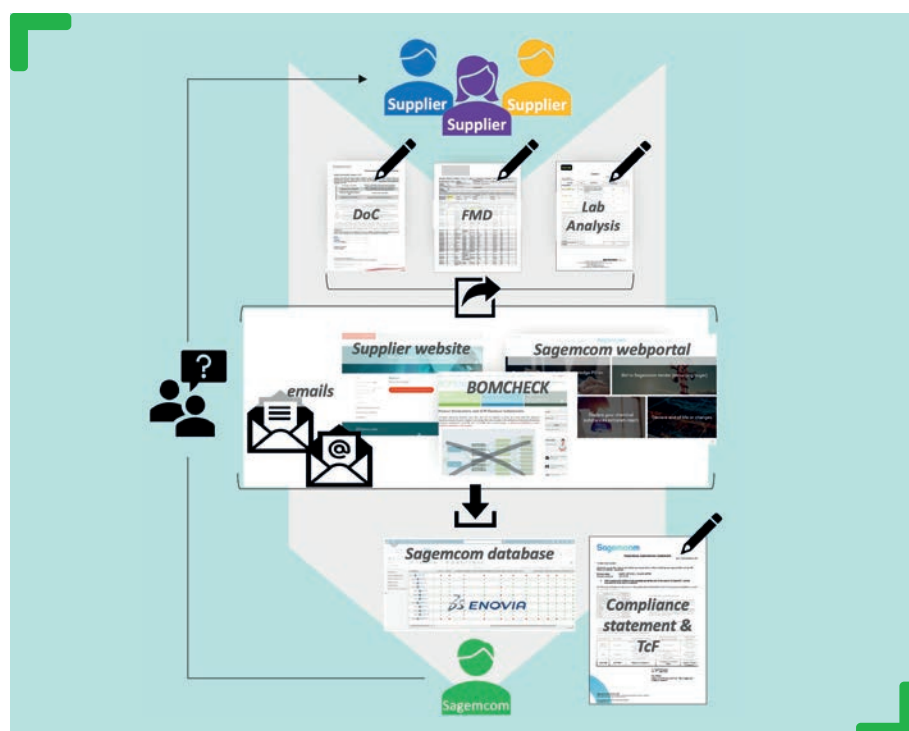
Countries where audits have been carried out over the last three years

Process and quality audits, which also include inspections of environmental aspects, health and safety, and ethics, are also conducted to detect any high-risk suppliers and to trigger additional control audits.

Our target in 2023 was to audit at least one supplier in each of our 19 critical panels. We achieved this target.

Our target in 2024 is to audit all the active suppliers in our 19 critical portfolios. Our longer-term goal is to ensure that all these suppliers progress to level A or B according to the JAC methodology in 2030.

Inventory and traceability of the chemicals used in our components



We have set up a very thorough chemicals management system in order to guarantee the compliance of our products with European Directives, and in particular with the REACH directive (1907/2006) and the RoHS directive (2011/65/EU). Our action starts with a global inventory of all the substances used in our manufacturing plants and in the components that we use.

A traceability system dedicated to SVHC (Substances of Very High Concern) has been implemented to determine the substances of very high concern contained in our products. Sagemcom uses this tool to ask its suppliers to provide information on the SVHC content of the materials they use.

Since the list of SVHCs is updated every six months by the ECHA (European Chemicals Agency), our suppliers are questioned on a regular basis.

We ask them to send us complete physical-chemical descriptions that contain all the substances present in the components. Once received, this information is then compiled in a database. In this way, we can know the status of each product. This research covers our entire supply chain, which is made up of hundreds of suppliers and tens of thousands of components. Finally, and since we cannot rely on documentation alone, our production centres in Tunisia have acquired the means to conduct RoHS compliance tests, in particular for the different phthalates that are outlawed by the regulations.

Conflict minerals policy

Sagemcom's conflict minerals policy is aligned with the company's broader commitment to responsible procurement and sustainability. Conflict minerals usually include tin, tantalum, tungsten, gold (often called 3TG) and cobalt, which are extracted under conditions of armed conflict and violations of human rights, mainly in the Democratic Republic of the Congo (DRC) and neighbouring countries.

Sagemcom aims to avoid contributing to armed conflicts or violations of human rights in its minerals supply chain: We commit to using minerals from responsible sources in our products.

To this end, we demand that our suppliers demonstrate reasonable due diligence regarding their sources and the chain of ownership of 3TG minerals. This reasonable due diligence meets the requirements of the framework laid out in the OECD Due Diligence Guidance applying to responsible supply chains of minerals sourced in conflict or high-risk zones. Sagemcom implements a transparent mineral procurement chain by participating in the Responsible Minerals Initiative (RMI), and collaborates with other companies and stakeholders in order to improve the traceability and responsible procurement of minerals. As a member of the RMI, we expect our suppliers to provide information on the origin of the 3TG minerals used in the products supplied to Sagemcom. Moreover, we give public account of our policy and practices regarding conflict minerals, to make sure that stakeholders are informed of the efforts and the progress we have made. In order to continually improve our conflict minerals programme, we regularly revise and update its policies and practices in accordance with the emerging best practices and new developments in the industry's standards. Sagemcom takes these measures to minimise the risk of procuring conflict minerals and to contribute to the ethical and sustainable procurement of the minerals used in its products. This policy reflects Sagemcom's broader commitment to corporate social responsibility and ethical business practices.

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Operational results

Suppliers must provide a CMRT (Conflict Minerals Reporting Template), whenever the RMI (Responsible Minerals Initiative) conflict minerals reporting template is updated, and whenever we qualify new components. We

prefer to receive product-specific CMRTs, because the information is more precise. Company-wide CMRTs are also acceptable, even if they raise some uncertainty about the presence of certain minerals. In 2023, we received a CMRT for 96 % of the components purchased during the year.

	2021	2022	2023 (target)	2023 (actual)
% of components covered by a valid CMRT	94.34 %	94.18 %	95 %	96 %
% of components covered by a valid EMRT	92.74 %		95 %	96%

Whenever a non-conforming refiner is detected, we ask our suppliers to conform or to remove them from their supply chain.

Next steps

In order to improve our traceability, the information on conflict minerals is cross-referenced with the declarations of component materials, and this will provide a much more granular view of the use of tin, tantalum, tungsten, gold and cobalt in our products, and a clearer view for Sagemcom of the existence of conflict minerals.

Our goal for 2024 consists of covering at least 97 % of components purchased with a valid CMRT.

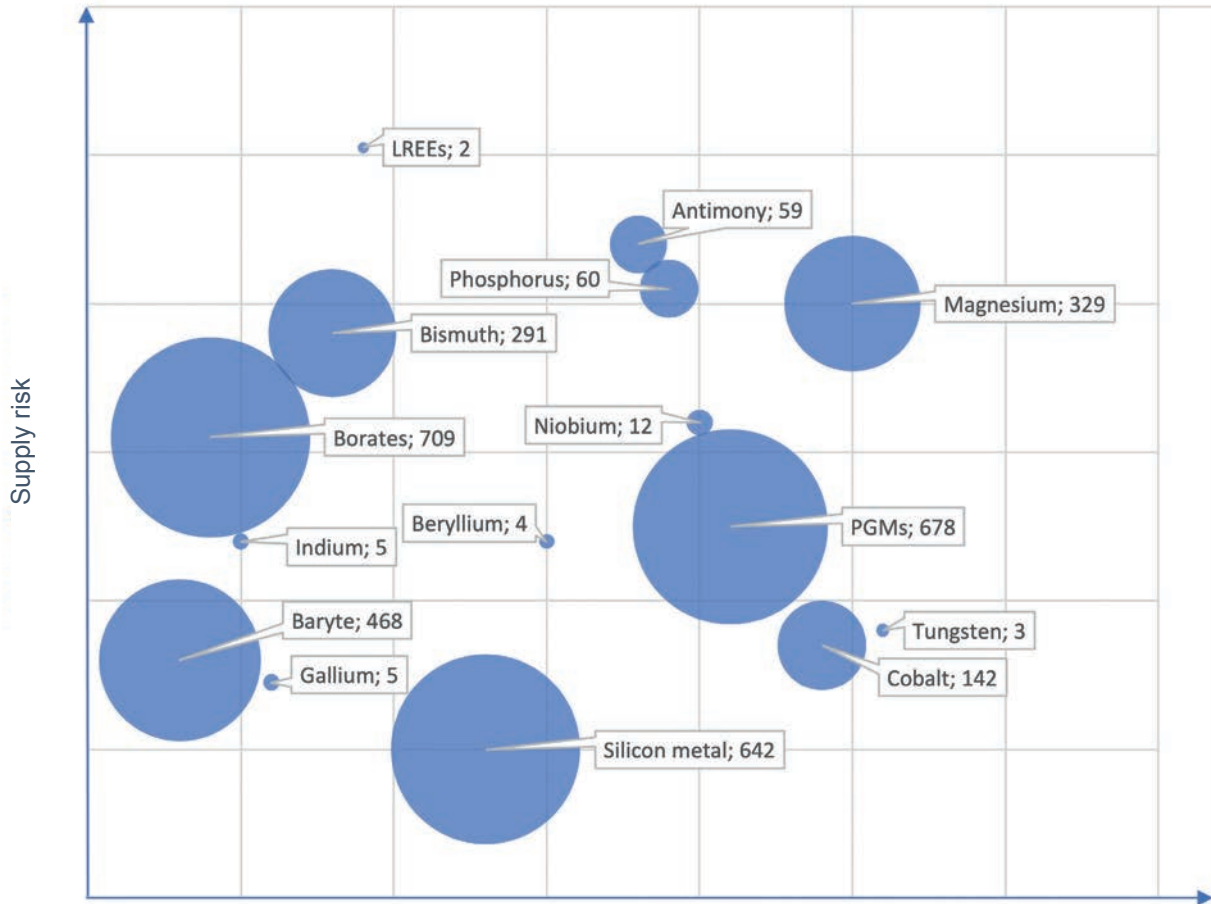
Critical raw materials

Since 2011, the European commission has defined a tri-annual list of raw materials, which are critical for the European economy as part of its Raw Materials Initiative, launched in 2008. In this list, 27 raw materials were identified as critical in 2017. Our work consists, before all else, in including the use of these materials in our products. This, of course, involves identifying all the substances present in each one of the components. In doing so, we identify potential uses and work on the diversification of our supply sources, from a geographical (the source of materials) and technological (substitution solutions) point of view.

We have been able to ensure that not all of these critical materials are used in our products; which enables us to envisage an approach within a restricted scope and risk-based management, corresponding to our strategy regarding the conditions in countries most exposed to climate change.

Within the same product, the importance of these materials can vary, especially according to the number of high-risk components used. The detailed analysis of their use makes it possible to assess their strategic importance for the Group and to incorporate the issue into our risk management strategy.

“Audits are conducted every year to verify the status of the suppliers in our purchasing portfolios and to help them with their improvement process.”



Example of CRM used by a product (number of components assembled) and included in the European assessment of the criticality of raw materials

