

ENVIRONMENT



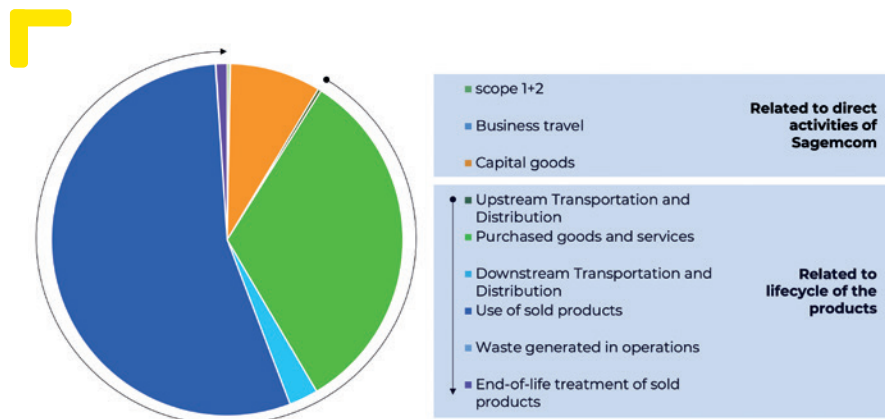
At Sagemcom, acting to protect the environment firstly means the planet's ecological balance. But it also means limiting the environmental and economic situations of different markets into climate change.



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

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.

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 verified by the independent third-party organisation Baker Tilly, alongside its mission to audit our status as a mission-driven company. In 2022, Sagemcom emitted 3,631,829 tonnes of CO2 for all the Group's activities, broken down into the different categories of the GHG protocol, as illustrated below.



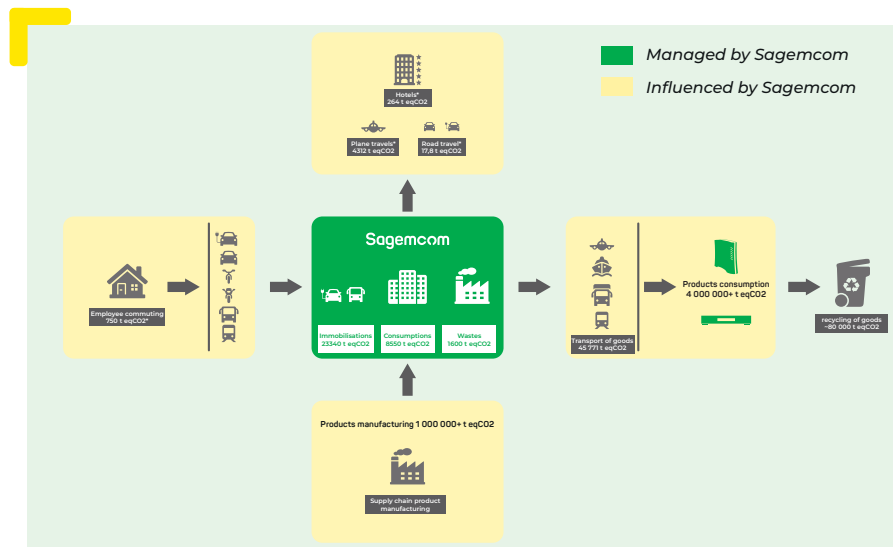
Breakdown of Sagemcom's annual carbon impact

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% by 2026 and achieving -90% by 2030
- Scope 3: -31% in 2030 and achieving Net Zero in 2040.

To provide a framework for this initiative, we are committed to the Science-Based Target Initiative, so that these targets, the data and the related action plans are monitored. This audit will be completed in 2023.

Scopes 1 and 2: 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.

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.

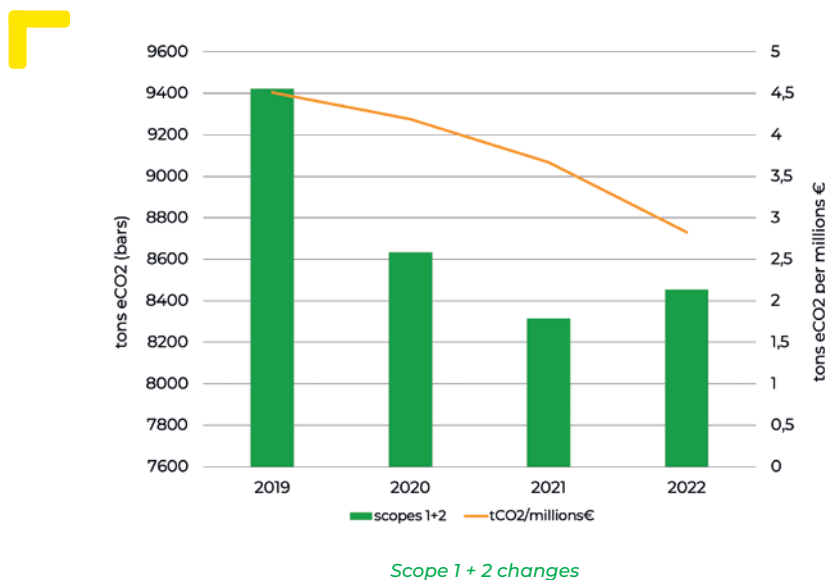
These measures are taken in our establishments under the responsibility of the Site Manager, in close collaboration with the environmental officers and according to continuous improvement processes.

In comparison with the preceding years, an analysis of our gas / electricity consumption in 2022 (scopes 1 and 2 of our carbon footprint) 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 2022 using more recent emission factors that changed the values published in the preceding reports).

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

The analysis of our environmental impact has produced the following results:

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



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 2022, the impact of our sites decreased overall by 10%, in comparison with 2019. This reduction can be explained in particular by the use of renewable electricity in France and the integration of 30% of biogas in 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 remained stable in 2022, in comparison with 2021. The increase in production generated by the company's development has resulted in an increase in our net impact. Since our goal is to reduce this impact, several actions are being taken, irrespective of production, through our approach based-on ISO 50001.

Overall, the improvement of the efficiency of our processes has resulted in a 37% reduction of our impact relative to turnover between 2019 and 2022.

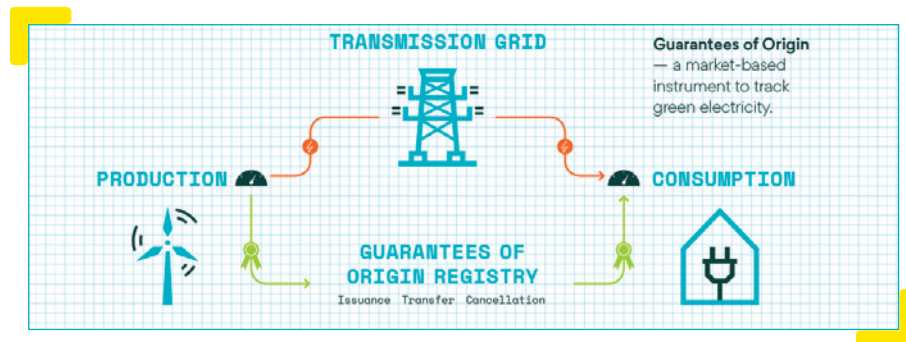
Electricity consumption: electricity from renewable sources

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 contracts for the supply of electricity that is certified as coming from renewable sources equivalent to the consumption of our sites wherever possible. This promise is materialised by the production of guarantees of origin.

“ In 2021, the impact of our sites decreased overall by 10%, in comparison with 2019.”

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 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.



About 32,301 MWh have been injected into the grid by our suppliers on Sagemcom's behalf from sustainable sources of production since 2019 (8,166 MWh in 2022, i.e. 23.38%). This policy of purchasing renewable energy continues for all our sites around the world.

To go even further in the use of energy from renewable sources, particularly in Tunisia, where there is no market offer, we chose to build our own solar power plant in the car park at our Ben Arous plant. This 990 kWc power plant will produce about 10% of our energy needs for production. The plant is currently under construction and will be operational in the summer of 2023.

Gas consumption

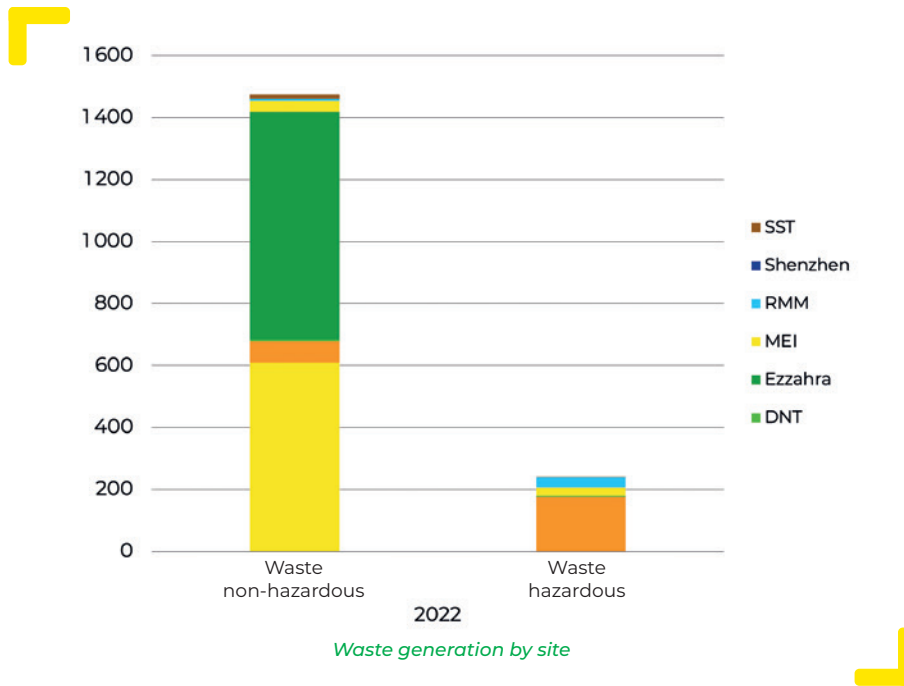
Our gas supply contract has included the biogas option, since it was renewed in December 2018. Sagemcom has promised to inject the equivalent of 30% of our consumption in biomethane produced in waste-to-energy units in France 4340 MWh of gas were consumed by the Group in 2022.

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.



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

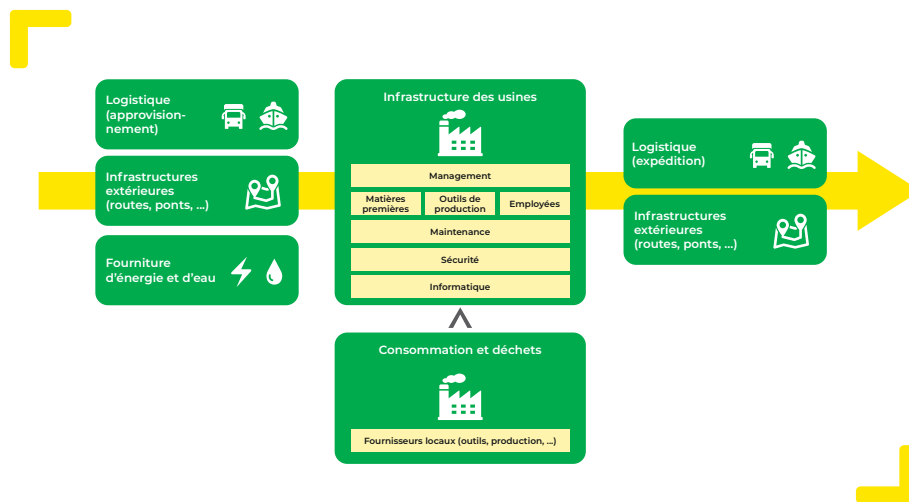
In addition to the conformity audits conducted by our teams, we also work very closely with our main manufacturing partners on reducing environmental impacts. They are encouraged to propose solutions that reduce operational impacts, in particular with regard to energy consumption and waste management.

This balance takes account of electricity consumption, heating (gas) and fuel oil consumption. In this regard, Sagemcom joined the CDP in 2022 and now asks its largest suppliers to complete the annual CDP questionnaire.



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 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.

CLIMATICS		INFRASTRUCTURE / HEALTH/SOCIAL			
High temperature	☀️	✈️	✈️	🤝	☀️
Low Temp.	❄️	🚢	🚢	👥	☀️
Wildfires	🔥	🚆	🚆	☠️	🔴
Water: Flood	🌊	🚚	🚚	🏥	🔴
Thunderstorm	⚡	🏭	🏭	⚠️	☀️
		🏭	🏭	👤	🔴

