



SUSTAINABILITY **REPORT**

2021



CHRISTOPHE NICOLI

Chief Executive Officer



The last year has brought extraordinary challenges. It has also been a time to recommit to our values, our priorities, and to continue the consolidation of our approach to CSR.

We are now thrilled to contemplate the next stage of SGD Pharma's development with PAI, an experienced and supportive partner who will support our CSR strategy. This buyout by our investor followed important work on due diligence.

We now embark on a new chapter in SGD Pharma's development, for the full benefit of our employees, customers, shareholders, and partners across the globe.

SGD Pharma is currently investing heavily and recently marked the completion of a significant milestone in our major Sucy Pharma 2025 transformation project.

These improvements are part of our company-wide commitment to continuously refine the quality of our glass primary packaging for our customers' valuable therapeutic products and to bring our company closer to achieving its status as the highest industry standard so we can best serve our customers.

I warmly thank everyone who has contributed to this year's achievements while ensuring business continuity in the difficult context of the pandemic.

We also express our support for the UN Global Compact for the third year. Since 2020, our CSR strategy has been aligned to the 10 principles of the Global Compact and aligned with the United Nations Sustainable Goals. Our firm is set to continue this investment in our global CSR strategy and to improve practices already in place.

I look forward to sharing our progress and continuing to work together to build a more sustainable and resilient world.

04

EXECUTIVE COMMITTEE

59

OUR LOCAL INITIATIVES

05

OUR BUSINESS MODEL AT A GLANCE

66

CSR DASHBOARD

06

CSR AT SGD PHARMA

67

GLOBAL REPORTING INITIATIVE

12

OUR PEOPLE

73

OUR PRODUCTION PROCESS

26

OUR BUSINESS VALUES

75

GLOBAL FOOTPRINT

43

OUR ENVIRONMENTAL ASPECTS

76

GLOSSARY

CSR STRATEGY IS UNDER THE SUPERVISION OF THE CHIEF EXECUTIVE OFFICER

And is shared and deployed by



CSR DIRECTOR

Reports CSR performances directly to the COO

COORDINATION

CSR NETWORK

Networks of CSR correspondents on each manufacturing site

DIRECTORS AND MANAGERS

Integration of CSR principles into the different departments of the company

OUR BUSINESS MODEL AT A GLANCE

OUR MISSION

We aim to improve and protect patient health by providing high quality, reliable and innovative primary glass packaging to our pharmaceutical customers.

OUR RESOURCES

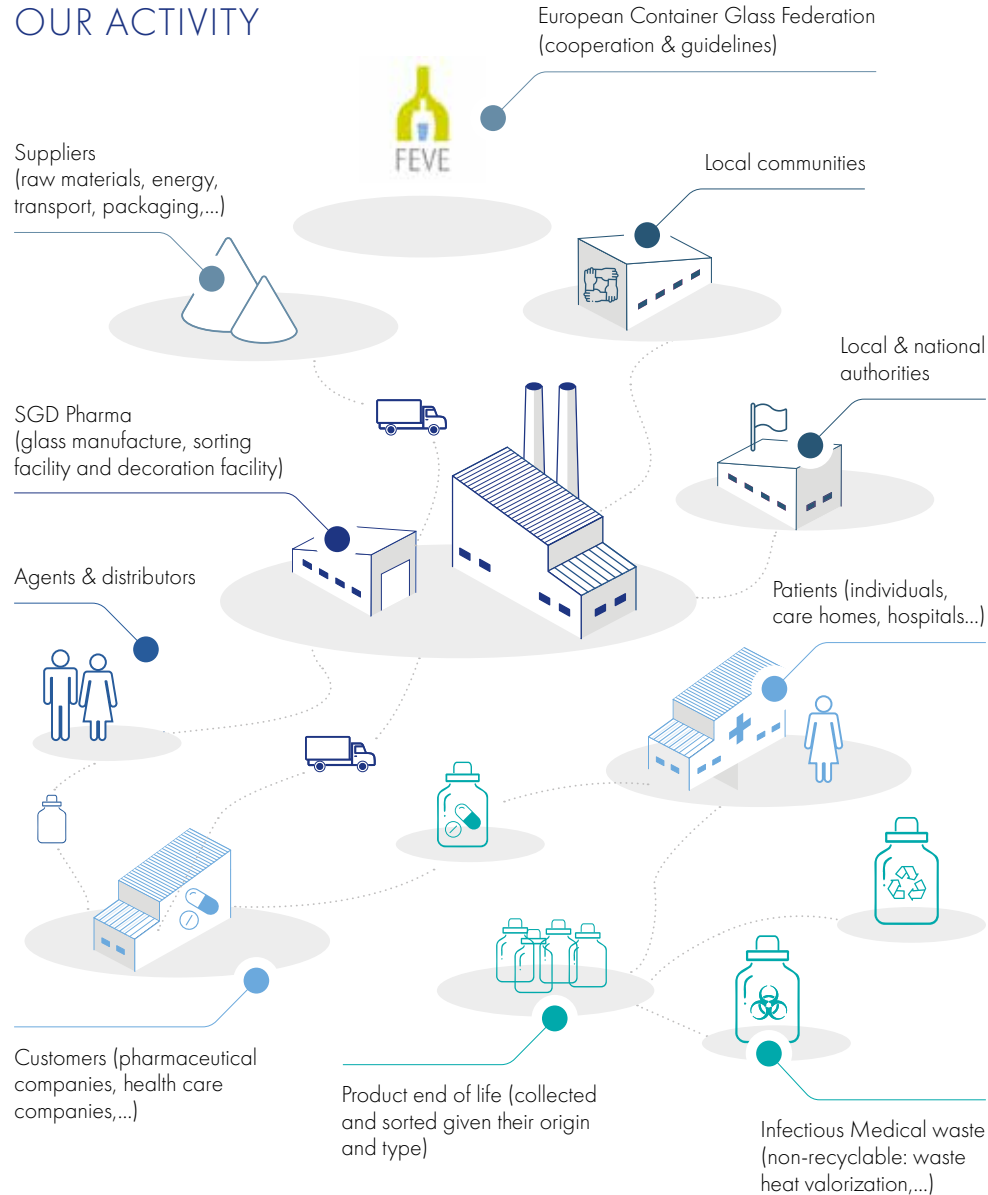
Our employees make our success

- Over 3200 employees

A global player with a local presence

- 5 manufacturing facilities (ISO 15378 certified) in 4 countries
- 5 sites ISO 45001 certified
- 5 sites ISO 14001 certified
- 2 sites ISO 50001 certified
- 7 furnaces
- 1 sorting facility
- 1 decoration warehouse
- 10 sales offices around the world
- 90 agents and distributors

OUR ACTIVITY



VALUE CREATED

Healthy financial results

- 2021 consolidated sales 326.9M€ (no gross comment)

Our pharmaceutical products

- More than 3 billion vials are manufactured and sold per year
- Our product applications cover all types of medical pathology

Shared growth

- **For our employees**
26 hours of training per employee
- **For our suppliers**
More than 2500 suppliers supported across 6 continents
- **For localities**
More than 40 initiatives or partnerships with local communities in 5 countries

CSR AT SGD PHARMA

COMMENTS ON ECOVADIS AND 2021 CDP CLIMATE RATING



Ecovadis

SGD Pharma was awarded Gold EcoVadis rating for the year 2021. EcoVadis is the internationally recognized sustainability ratings provider, evaluating over **75,000** companies globally across a range of different industries. SGD Pharma's Chinese plant was awarded a silver medal and its subsidiary Embelia a gold medal.

The EcoVadis assessment highlights the actions SGD Pharma has implemented, through its global CSR strategy, to improve the way the business operates and how it treats both its employees and the environment.



CDP Climate Change

SGD Pharma has been participating in the annual CDP campaign on climate change since 2019/20 and in the CDP water security questionnaire since 2021. The CDP is a non-profit organization working for the harmonization and transparency of publications relating to companies' environmental impacts. It is the reference for environmental reporting.

SGD Pharma achieved a **C-rating** overall from the CDP, based on its approach to climate change. For water security, and our first participation in this category, the company achieved **B-rating**.



INTERVIEW

LAURENT MILLET

Group quality & CSR director



“2021 has been a special year for us with the acquisition of SGD Pharma by a new shareholder, PAI in September 2021. Preparation for the acquisition involved a due diligence audit with a deep focus on CSR performance at group level and completed by on-site audits. We could then measure concretely how our efforts in CSR were appreciated by PAI and by the banks who support us. We are proud to join a shareholder who put as one of his top priorities the CSR strategy of the companies he holds. We have a team dedicated to CSR topics, and organized a one-day session with all CSR & EHS directors for benchmarks and networking. We saw as well that our customers’ CSR-related requests continue to increase: up 36% compared with 2020, and 37% more than last year via CSR platforms. Their focus-raising concerns are: the recyclability of our products, the life-cycle assessment, GHG emissions, and environmental impact. As a result, we have put a particular effort into developing the CSR axis dedicated to our environmental strategy as part of our action plan for the coming years.”

CSR MANAGEMENT SYSTEM AT SGD PHARMA AND OUR STEPS FROM THE START

In 2018, we launched the first phase of our CSR approach. We materialized it in a CSR report for the first time in 2019. Since then, we have continued to improve our CSR strategy each year.



ABOUT OUR CSR APPROACH

SGD Pharma understands the importance of appropriate disclosure and communication with our stakeholders. Through our CSR report, we show that we aspire to be a company that can grow its business while contributing to the sustainable development of society.

We always supported sustainable actions and we've been consistently working to be compliant with all environmental, social, and ethical requirements applicable to our operation. Since 2018, we have determined the key pillars that reflect our approach, which are underpinned by our core purpose and values, making it easy for clients and other stakeholders to understand our ESG priorities. We identified the main challenges and risks associated with our activities through a materiality analysis.

Our CSR approach is based on these 3 pillars: "Our people", "Our business values" and "Our environmental aspects". We aim to achieve sustainable improvements in enterprise value while following a clear roadmap of actions.



OUR PEOPLE

Health & Safety
Career Management & Training
Social Dialogue & Diversity



OUR BUSINESS VALUES

Quality of Service & Competitiveness
Business Ethics
Sustainable procurement



OUR ENVIRONMENTAL ASPECTS

Energy Consumption & GHGs
Water & Waste Management
Local & Accidental Pollution

MAIN ACTIONS 2021




Actions	Implementation
Sign Global Compact	Q1
Reporting on 2021 KPIs	Q1
Consolidate CSR KPIs & local initiatives	Q1-Q2
Release of the CSR report	Q3
Calculation of our carbon footprint (scope 1 & 2)	Q2
Alignment of our CSR Report to international reporting standard (GRI)	Q3
Set targets on 2022 KPIs and initiate quarterly tracking	Q4
CDP (Climate Change & Water)	Q3
EcoVadis assessment	Q4
CSR assessment of our suppliers (CSR questionnaires & supplier code of conduct)	Q4
Use and adaptation of marketing tools for CSR topics (communication)	Q1-Q3
Establish a strategy to reach net zero emission by 2050	Q4
Continuous improvement to internal process	All year long
Raising awareness and training teams on CSR topics	All year long

RISKS & PERFORMANCE

Risks associated with material topics

We identified the risks that we must address in accordance with the UN Sustainable Development Goals. We update our issue analysis each year to ensure that our priorities remain aligned with stakeholder expectations, market trends, and business risks and opportunities.

Each of our CSR pillars can be broken down into several associated risks. In this report, SGD Pharma outlines its response to each of these issues and the strategies and actions it plans to apply.

Pillars of our CSR strategy	Material topics	Risks associated
 <p>OUR PEOPLE</p>	Health & Safety	Employees can be exposed to accident events due to our industrial processes. Our top priority is to ensure their health and safety. (response action p.14)
	Career Management & Training	Identifying, attracting, developing and retaining talent is crucial for our success and prosperity. (response action p.18)
	Social Dialogue & Diversity	We must ensure we provide a workplace free of harassment and discrimination. Respecting the dignity and equality of our employees is fundamental to our success. (response action p.22)
 <p>OUR BUSINESS VALUES</p>	Quality of Service & Competitiveness	A critical production defect could lead to substantial and lasting damage to SGD Pharma's reputation. (response action p.28)
	Business Ethics	Third parties and collaborators must conduct business in accordance with SGD Pharma's Code of Business Ethics to prevent risks of corruption and bribery. Cyber-risks could also have a huge impact on our reputation. (response action p.34)
	Sustainable Procurement	The way our suppliers conduct business could lead to high reputational risk for the supply and for SGD Pharma. (response action p.39)
 <p>OUR ENVIRONMENTAL ASPECTS</p>	Energy Consumption & Greenhouse Gas Emissions	We must ensure we work with the best technologies available in order to mitigate our energy consumption and minimize our CO ₂ emissions. (response action p.45)
	Reuse, Waste & Water	Because we are in a context of resource scarcity, the way we use natural resources can threaten the efficiency of our industrial process. (response action p.51)
	Local & Accidental Pollution Prevention	SGD Pharma's operations are associated with various industrial risks that may impact the environment near its industrial plants, such as human or technical failure in the operation of its facilities, fires, explosions, effluent discharge, or hazardous chemical spills. (response action p.54)

MAIN CSR KPIs FOR 2021



2.31
Water consumption / ton of glass produced



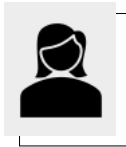
38%
of employees are women



25.90
Average training hours per capita



9.89
Average hours of safety training per capita



32%
of women in top management position



3.28
FR1 for the group



5/6
plants with ISO 14001 & 45001 certifications



90%
Waste recycling rate



0.761
Mt CO2eq / ton of glass produced



1



OUR PEOPLE

HEALTH & SAFETY

**CAREER MANAGEMENT
& TRAINING**

**SOCIAL DIALOGUE
& DIVERSITY**

As an industrial company, our very first priority is the health and safety of our employees, a topic for which we have deployed a full system of policies, tools and processes presented in this report.

Being a partner to the pharma industry, we must also make sure everybody is aware of our role in delivering a drug to the patient. Therefore, we care about our employees' skills and their behavior in developing pharma competencies and the pharma mindset. Supporting our people in their development is at the heart of our daily actions, so we can support the business better with the right competencies, offer attractive careers and prepare the company for the future.



INTERVIEW

**PIERRE-
MICHEL
BATAILLARD**

Chief Human
Resources Officer



“After a challenging 2020 year because of the pandemic, 2021 has seen a strong rebound of our learning & development activities. We have delivered 83 000 hours of training to our people in 2021, i.e. an increase of 43% vs. 2020 and an average of 26 hours per capita. To modernize our training offer, we have also acquired a digital learning platform, on which we have already launched several Group programs, for example, to develop the pharma mindset.”

HEALTH & SAFETY

In the course of our business activities, our employees may experience accidents or events that could have adverse consequences for their health or their safety, such as cuts, burns, or exposure to noise or high temperatures.

It's only natural to make health and safety our top priority because our employees' ability to perform their job well depends on their physical and mental health and their safety and security. We continued to deploy our SGD Pharma Top2025 Operation Excellence initiative to promote employee engagement in the areas of safety and quality, and 5S through strong performance control systems and problem-solving skills.

OUR HEALTH & SAFETY POLICY

Commitment

SGD Pharma is committed to providing a safe and healthy work environment for our employees and stakeholders. Our most important goal is to have zero accidents and zero occupational illnesses.

Health and safety are our core values. They come before any other consideration in the way we conduct business.

Accountability

Line management is accountable for the prevention of injuries and occupational illness. In turn, employees and stakeholders are expected to contribute to a safe environment through discipline, visible commitment, and proactive engagement with one another.

Rule Engagement

- Line managers demonstrate their leadership in safety through setting goals, progress reviews, coaching, proactive field interactions, active communication, and audits. They mobilize human and investment resources and relentlessly pursue solutions to address unsafe conditions and behaviors.
- Employees are all encouraged to identify unsafe conditions or processes. They are empowered to stop a task which is deemed unsafe and to employ the necessary means to correct the situation.
- Each industrial facility has a formal H&S continuous improvement plan.



Risk Management

- Major risks are identified and managed through group standards and recommendations.
- In addition, each plant identifies specific hazards not covered by the group standards.
- Local H&S regulation compliance is regularly assessed and identified gaps are immediately corrected or addressed through action plans.
- Every site defines and effectively communicates emergency plans at the appropriate level (site, workshop etc.).

Learning & Progress

- Competencies and safety behavior are considered during the recruitment process. New employees are trained according to each site's safety plan to perform their duties safely and to manage H&S in their respective areas. Safety is part of our annual performance assessment.
- All accidents and major near-misses are reported, including root cause analyses, and corrective and preventive actions are implemented. These events are shared and discussed across the SGD Pharma Group and are recorded in appropriate accessible databases.



OUR 2021 HEALTH & SAFETY ACTIONS

Safety and environmental emergency drills

During 2021 we particularly focused on managing emergency situations with close to **100 tests** organized at all sites.

The exercises were linked to various possible risks such as fire, environmental or even safety and industrial risks. Overall, those exercises allowed us to continuously improve our emergency procedures and emergency team member skills.

Covid-19 pandemic and putting our people first

Despite the significant constraints placed on business activities by the COVID-19 pandemic, we didn't step back on ESG matters and we made it a priority to take care of our people first. We massively developed home office capabilities for our employees who were able to work remotely, through a new policy which focused on their safety and well-being. Rigorously defined Covid-19 prevention measures were deployed and maintained on all sites throughout the pandemic.

We have continued to carry on our business operations while prioritizing the health of our employees and responding flexibly to frequently changing circumstances. There was no full stoppage in any production plant during lockdown.



2021 Safety Week

Safety week, organized for many years at SGD Pharma represents an important event, expected each year by all employees.

The event aims to guarantee health and safety at work with a strong communication campaign and associated local workshops. This annual international campaign consists of preventing occupational risks in different areas, in an interactive way. Work sessions and activities such as workshops, trainings, games, quizzes, and videos are carried out with the participation of all departments across the Group. The objectives of the main workshops was to identify any risks or recurrent safety deviations and to implement clear visual information to improve the situation.

The 2021 week was successful and through the implementation of 85 visual safety warnings covering more than 19 risk families, we get closer each year to our zero-accident target.

ISO 45001 certifications

To strengthen our commitment to safety, all our glass production plants are now ISO 45001 certified (Kipfenberg, Zhanjiang, Vemula, Sucey-en-Brie and Saint-Quentin-Lamotte). We achieved our target of **5 out of 6 sites** certified. This was achieved through additional certifications for our two sites in France. 100% of our plants producing glass (5) are certified ISO 45001 since 2021.

Employee health

Improved individual noise protection and communication systems have been deployed on some sites.

Our Zhanjiang site was very active in promoting safety and workers' health regarding noise.

Safety management during furnace rebuilt (SQLM and SUCY)

As furnace rebuild works are at-risk operations, we focused strongly on safety. Employees were involved in daily safety prevention and managing external companies.

Feedback from these operations makes further improvements in managing such works possible.

SUCY TRANSFORMATION PLAN

The Sucy plant started its transformation plan in 2020, and the first item in the plan is safety.

Cullet handling installation, Sucy, France

We improved the safety of all cullet handling installations, which were outdated, and we refurbished the main warehouses to increase worker safety through better flooring, improved layout and better lighting, plus many other smaller projects to enhance safety and performance.

2021 RESULTS & 2022 TARGETS

FR1* results	3.28
Average hours of safety training per year per employee	9.89
LTA + NLTA**	30
ISO 45001 certified plants	5/6

*FR1: Injury Frequency Rate (number of Lost Time Accidents/hours worked x 1 000 000)

**LTA+NLTA: Lost Time Accident + Non-Lost Time Accidents

Analysis of the results and objectives

In 2021, we continued to focus on our safety goal of reaching zero accidents. Since 2020, we have increased safety maturity by 6.5% and reduced the total number of accidents by 6.25%. This year, we reached a frequency rate (FR1) of **3.28** which is among the best for our industry but we want to go further and truly ensure that no one gets hurt in any of our facilities. EHS training hours per person reached **9.89 H/p** mainly driven by a strong involvement in EHS trainings in India and China.

Zero Lost Time Accidents (LTA) were recorded at the Vemula plant in India and at the SQLM plant in France in 2020.

MATURITY MATRIX

2018	2019	2020	2021
52%	66,8%	76,6%	81,1%

SGD Pharma EHS Maturity Matrix is an internal tool developed since 2018 to define the group requirements for developing EHS maturity in each plant. The matrix, based on a list of 52 items (SGD Pharma requirements), is classified around 4 pillars (Leadership, Discipline, Conformity and Systems) and has become a real EHS performance management tool for each plant. From an average compliance score of 52% in 2018, EHS maturity scores have been increasing since. Thus in 2021, we exceeded our stated goal of an overall score of >79% for all sites, scoring 81.1%.



CAREER MANAGEMENT & TRAINING

Our employees are critical in fulfilling our mission of improving and protecting patient health by providing high quality, reliable, and innovative primary glass packaging to our pharma customers. We therefore commit to their development.

DIGITAL LEARNING

To improve the training we offer, we acquired a digital learning platform in 2021. This platform can host and distribute any training available on the market or any custom-made to our needs. It also allows us to produce our own training modules, leveraging the knowledge of our people, accumulated from years of experience in their different functions. By investing in more collaborative features with the launch of the platform, we take a further step towards a more continuous learning approach.

TALENT ATTRACTION AND RETENTION

Maintaining an attractive offer to the market, using appropriate recruitment channels, and retaining personnel are critical in today's environment.

We've been cooperating over the long term with several education institutions:

- Lingnan Normal University in Zhanjiang, China
- Guangdong Ocean University Mechanical and Power Engineering
- Dongguan University of Technology (DGUT) associated with Conservatoire National des Arts et Métiers
- ENSIL-ENSCI in Limoges, France, an engineering school with majors in glass and materials
- Partnership with a school in Nanjing: Sino-French Engineering, Nanjing University of Science and Technology

COMPENSATION MANAGEMENT

We improved our compensation system in 2021 through job grading and analysis of the job market. All managers & professional positions were weighted with a rational, fact-based and universal method and categorized into grades, each grade then being checked in terms of salary on the job market.

This new tool ensures greater equity and improved alignment with the market in compensation management.

MANAGEMENT TRAINING

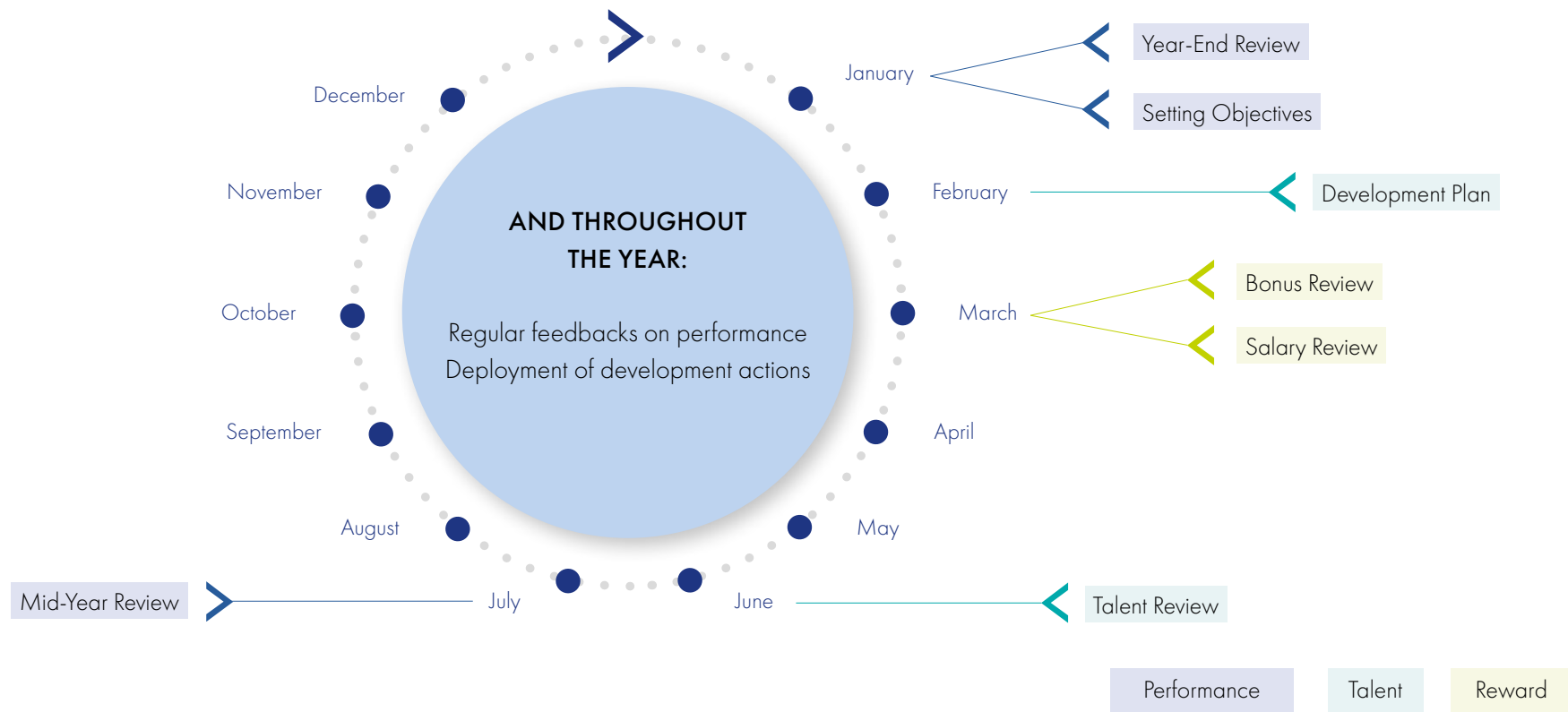
In France, we launched a new curriculum for managerial skills, targeting managers at different stages of their development. This curriculum covers all the basics of management, as well as remote management.



THE SGD PHARMA YEARLY HR CYCLE

The yearly HR cycle is our integrated approach to people development supported by SAP SuccessFactors, our global HR information system. It covers performance management, talent development and reward. It is also a managerial commitment: to spend quality time throughout the year with our people, have an open dialogue on their development, ensure a fair assessment of their performance, and invest in their development.

In 2021, we further strengthened our HR cycle by adding the Development Plan, a step favoring a systematic development action plan for individual employees, based on an exchange with their manager and HR.





2021 RESULTS

Attrition rate (Europe only) *	3.1%
Attrition rate (all sites) *	7.6%
Average hours of training per year per employee	25.9
% of employees trained vs. number of employees	92%

* Attrition measures the number of voluntary resignations vs. the headcount.

In 2020, the pandemic impacted the HR arena: it was a heavy constraint on training activity, and it generally limited attrition. In 2021, training activities have experienced a strong rebound and attrition has slightly increased.

In 2022, our people priorities will be:

- In France, renegotiation of profit-sharing agreements
- Developing the use of e-learning and promoting the acquired platform
- Developing the use of the development plan
- Improving talent retention

INTERVIEW

CAROLE GRASSI

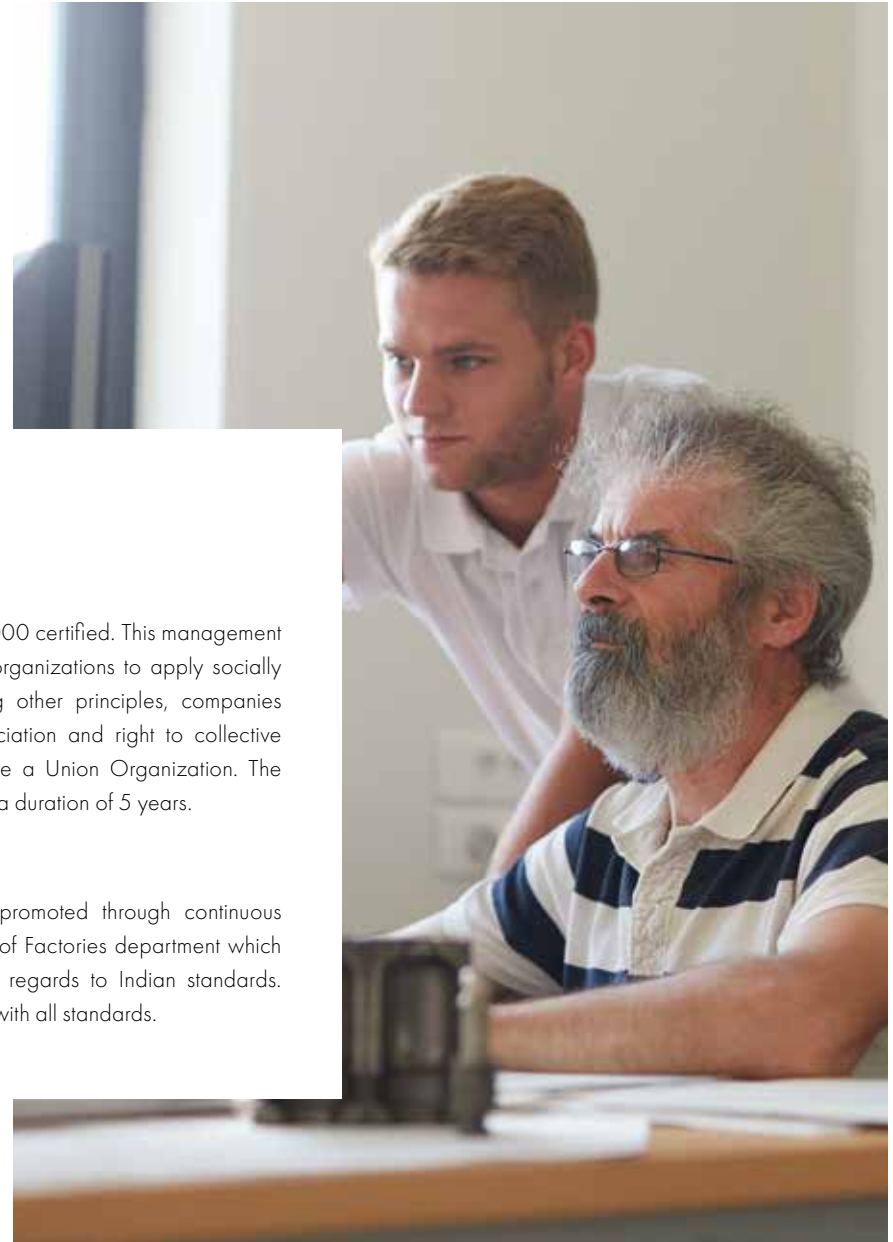
Chief Innovation and Development Officer



“The Covid-19 pandemic continued to challenge us in 2021 and made it more important than ever to promote the best health and safety practices. We felt it was important to consolidate our approach to CSR throughout the year, to accommodate new working conditions and considerations for our employees but also to improve services for our customers. As the pharmaceutical market recovers from the effects of the pandemic, SGD Pharma is focused on upholding its exemplary ethical standards and will continue to innovate and streamline its processes for bespoke customer molded glass projects. We are grateful to have been able to continue our progress despite a challenging year and look forward to more innovative products, processes, and services to come in 2022 and beyond.”

SOCIAL DIALOGUE & DIVERSITY

For us, social dialogue is a commitment with society and a source of performance. We invest in it and structure it at all levels of our organization. We also want our SGD Pharma locations to be diverse & inclusive workplaces.



SOCIAL DIALOGUE

France

In France, we have launched the renegotiation of important agreements in 2021: work-life quality, talent development & career management, and professional equity. With the relocation of our head office, we also set up a work-from-home policy, which will be adapted for our other premises.

Germany

Trade unions and representatives of work councils work closely with the management. Both always participate in discussions and in the process of signing the collective agreements.

China

Our plant in Zhanjiang is SA8000 certified. This management system standard encourages organizations to apply socially acceptable principles. Among other principles, companies must ensure freedom of association and right to collective bargaining. Workers also have a Union Organization. The representatives are elected for a duration of 5 years.

India

In India, social dialogue is promoted through continuous interactions with the Inspector of Factories department which monitors our compliance with regards to Indian standards. SGD Pharma is in compliance with all standards.



DIVERSITY

SGD Pharma is an international and multicultural company with less than a third of its headcount in France. We believe that diverse teams fuel innovation, and we're committed to creating an inclusive culture that supports all employees. At SGD Pharma we truly believe that diversity is a key driver for cohesion, knowledge transfer and ultimately performance. Our HR processes support these beliefs and are designed to prevent discrimination and other unacceptable behaviors. We also have a whistleblowing procedure available worldwide to address any potential issue in this domain.

Gender equity

Heavy industry is a challenging sector, but we want to overcome the hurdle by pushing for gender equity, including in our production facilities. At the end of 2021, 38% of our employees were women.

Our trainees and apprentices

We support the development of tomorrow's skills by building bridges between business and education through internship and apprentice programs. At the end of 2021, we had 66 trainees and apprentices in France and Germany.

Supporting local communities

We are aware of the role we play in society and of the positive impact of our activity in the territories in which we operate. We believe that our activities can contribute to the local economy. For this reason, we are committed to building long-term relationships with local universities. We are dedicated to the growth of communities through our operating facilities by employing people living close to these facilities. Also, when hiring, we actively seek out talent in the vicinity of our sites and provide employment opportunities.

INTERVIEW

AKSHAY SINGH

General manager
India



“This pandemic has made SGD Pharma’s approach and priorities clear. In 2021, the safety of our employees has been our highest priority because at SGD Pharma we believe employees are our biggest asset. We’ve been working hard to fight the pandemic. In Vemula we were able to carry out a vaccination campaign to prevent the arrival of the Delta variant. It’s a great achievement as we were able to vaccinate all our employees and their family.”



2021 RESULTS

	KPI 2021
% of the total workforce covered by a formal collective agreement*	38%
% of women employed (in relation to the whole organisation)	38%
% of women in top management position	32%

* All our employees in Europe are covered by a formal collective agreement.

2



OUR BUSINESS VALUES

**QUALITY OF SERVICE
& COMPETITIVENESS**

**GLOBAL
ETHICS POLICY**

**SUSTAINABLE
PROCUREMENT**

We believe that the way we conduct our business and build our relationships with all our stakeholders must be aligned with the highest standards possible and must foster sustainable and ethical practices and principles within our value chain and our sphere of influence.

As a member of the United Nations Global Compact, it is our duty to share our commitment to the ten principles and promote them both internally and externally.



INTERVIEW

LAURENT ZUBER

Chief Commercial Officer
& General Manager West World



“During the last few years sustainability has become a core commitment for SGD Pharma, and we recognize and consistently seek opportunities to do more. The global COVID-19 pandemic allowed us to have a better understanding of our impact, and how we improve as a business as we work with our stakeholders and share with them our progress as we grow. We are working on reducing our CO₂ emissions looking at the urgency of the current problem of climate change.”

QUALITY OF SERVICE & COMPETITIVENESS

The quality of our products is a key element for our customers as they count on this as part of the medicine they provide to their patients.

It is crucial that they can consider us as the solid partner they rely on, not only for the quality of the product we provide, but also for support about any question, project or issue.

This robustness is reinforced year-on-year by continuously working on each axis that contributes towards final product quality. These axes are:

- Leadership and project management
- Customer Management and care
- Quality Management System and GMPs
- Product Quality (Manufacturing and Control)
- Quality Tools for continuous improvement (risk assessment and problem-solving)
- Supplier and Sub-contractor Management
- Human Resources Management and development (skills, competencies, organizations)

In 2021, the main areas of focus were:

- building a maturity model to assess our plants' quality levels
- completing ISO 15378 certification of our units by getting our entity Embelia certified
- sharing the results of the group customer survey, conducted end 2020
- developing our bespoke e-learning module to assess and improve employees' pharma mindset

MATURITY MODEL TO ASSESS OUR PLANTS' QUALITY LEVELS

We built a matrix enabling self-assessment for each plant within each of the 7 strategic quality pillars:

- Leadership and project management
- Customer Management
- Quality Management System and GMPs
- Product Quality
- Quality Tools for continuous improvement
- Supplier and Sub-contractor Management
- Human Resources Management and development

Each pillar has a description of several maturity levels, allowing staff to self-assess the status of the plant.

This led to each plant identifying its global maturity level, its areas of strength and its areas of weakness.

This consolidation across all plants allows us to identify benchmarks and allowed to organize sessions with all quality managers on good practices sharing.

This also led to setting up a road map for improvement and progress towards the top maturity level up to 2025.



ISO 15378 CERTIFICATION OF OUR UNITS BY GETTING OUR ENTITY EMBELIA CERTIFIED (FIRST DISTRIBUTOR TO BE ISO 15378 CERTIFIED)

Embelia is the entity of SGD Pharma dedicated to distribution.

This entity was ISO 9001 certified but not yet ISO 15378 certified. The ISO 15378 standard is aimed at patient safety.

The project was initiated in 2019 based on the quality system in place: ISO 9001. The additional requirements have gradually been deployed to the processes both in terms of infrastructure, traceability, organization, training, and above all according to a risk approach.

We are proud to get to be the first ISO 15378 certified distributor and aligned on GMPs for pharma primary packaging.

About EMBELIA

EMBELIA is a subsidiary of the SGD Pharma group

It is a key European player in the field of primary packaging. EMBELIA designs, develops and distributes complete solutions including containers (bottles, jars, cans, ...), closure accessories and associated services such as decoration, sterilization, all in materials traditionally used in packaging (glass, plastic, aluminum).

EMBELIA supports its clients' projects in areas as varied as Beauty, Health, Home Maintenance, Food and Chemistry.

EMBELIA in figures:

- 80 years of passion celebrated in 2018
- 4 commercial agencies
- More than 2500 active customers,
- Deliveries to more than 50 countries



INTERVIEW

STÉPHANE HOURDIN

Quality Manager
at Embelia



“Despite the health context and the constraints, employees were able to adapt and achieve the objectives set, such as ISO 15378 certification. This standard is specific to primary packaging materials for drugs and we have mobilized a lot of people in the process of obtaining it. During 2021 we also anticipated our registration in EcoVadis referencing by improving our responsible purchasing approach which allowed us to get the gold medal. We went from defining a dedicated purchase policy, training the buyer to CSR and redesigning and creating indicators suitable for sustainable purchases.»

GROUP CUSTOMER SURVEY, CONDUCTED END 2020

In the last quarter of 2020 a customer survey was carried out by 20-minute phone interview. A database of 98 answers was collected gathering different customers profiles: global accounts, key accounts, large accounts, standards accounts and distributors. The results were displayed in the first quarter of 2021 and presented via several sessions for corporate function and manufacturing plants teams. The global satisfaction rate (including extremely satisfied and satisfied) was 94% which consolidates our position regarding customer expectations (we were at 91% in 2016).

We achieved satisfaction level for the following elements:

- value for money
- products
- relationship and services

And by department (sales, quality, customer service, supply chain, R&D, regulatory support, invoicing).

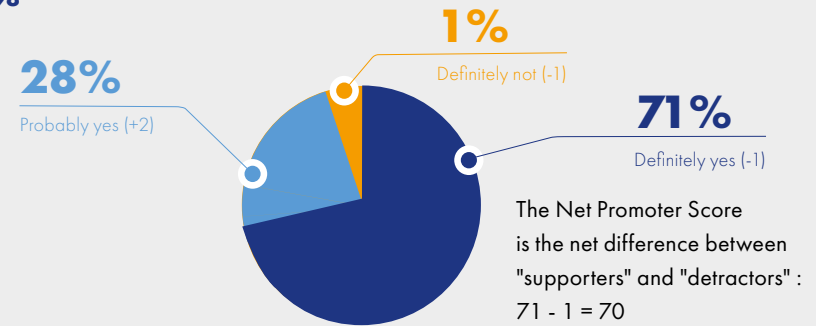
We set up a workshop across functions and across plants to gather the learnings together and build an action plan for 2022.

LOYALTY: RECOMMENDATIONS, INTENTION TO BUY AGAIN

A high proportion of customers would recommend SGD Pharma and stay loyal to the company. The proportion of customers who would increase their share of SGD Pharma's glass has significantly increased since 2016.

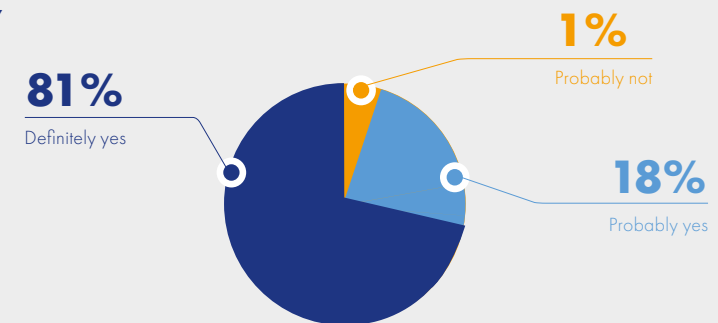
Would you recommend SGD Pharma to your professional contacts?

N = 98



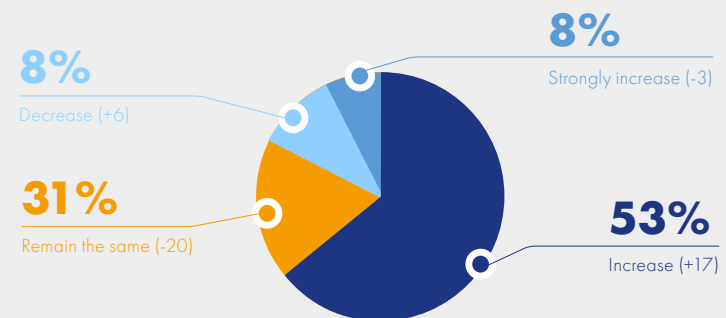
Will you likely work with SGD Pharma again in the future?

N = 97



In the future, how do you think SGD Pharma's share in the purchase of glass will evolve?

N = 89



E-LEARNING MODULE TO ASSESS AND IMPROVE EMPLOYEES' PHARMA MINDSET

We decided to launch a Pharma Mindset Assessment across the entire company.

SGD Pharma is already one of the leaders in pharma primary packaging in the world and we want to strengthen our alignment with our pharma clients further.

In setting up and deploying this assessment within SGD Pharma, we wanted to understand our maturity against different attributes that define the pharma mindset so we can identify the areas that need action (training, coaching, etc.) whether at company level, departmental level or at an individual level.

Every manager from the Executive Committee down to junior manager were invited to take this self-assessment. Once they completed the full assessment, they were able to see their maturity level scored against different attributes.

Prior to starting the assessment, we reminded ourselves what we mean by "pharma mindset". In a few words: "Having the pharma mindset is to be conscious of being part of the end-to-end chain of the medicine delivered to a patient who needs it."

"Therefore your acts and your decisions can have an impact on the patient, on the pharmaceutical manufacturing company who make the drug and deliver it under a regulated environment that everyone must comply with."

SGD Pharma's clients face various constraints and have different obligations towards the patient, towards regulation or towards the markets. That drives a certain mindset which becomes natural for SGD Pharma's clients and that we aim to translate through those different modules. Some of the answers can be quite surprising or far removed from a day-to-day approach, but they are second-nature to our pharmaceutical customers.

All were invited to run this assessment as a learning tool, and a global review of the different results allows us to focus and support areas which need improving so we can get even closer to our pharma customers' mindsets.

The assessment is sequenced into 3 modules and the trainees needed to complete the 3 modules prior to getting an overview of their maturity:

Module 1 on the understanding of Pharma environment.

Module 2 on the understanding of their impact (on the patient, on the medicine, in usage by the pharma client, on regulation).

Module 3 relates to the level of trust customers will have in them, based on their reactions.

This e-learning training module was distributed through the e-learning platform acquired by our HR Department in 2020.

2021

was dedicated to distributing the e-learning module in 3 waves: executive committee, plants management committee, then managers.

2022

will be dedicated to adapting, plant by plant, the action plan requests to remove detected weaknesses.



SUPPLY CHAIN

Ensuring that products and services are safe to use is an important precondition for the development of a sustainable society for us. As a leader in pharmaceutical glass manufacturing, we owe the reliability and excellence of our products first and foremost to the choice of the raw materials and to efficient procurement and management practices all along the supply chain. We must be reliable and ensure we always meet the needs of our customers.

In 2021, we focused on some major projects:

Launch of a transport tracking tool

This is a tool that allows us to manage monitoring maritime transport of our goods better. The tool is used for the transport of goods from the three European factories. It has been launched to ensure better transportation quality for our products and improved overall safety for our customers.

Renovation project of our storage facility, Sucy, France

The project started in 2020 and was completely finished in 2021. The storage facility was enlarged to enable fewer transportation movements between our third party storage facilities.

2021 RESULTS

Quality

Customer claims evolution in ppm (from a y-1 basis)	30%
CAPA* treatment (%)	102.8%
ISO 15 378 certified plants	100%

Supply

OTIF1 (on time in full)	97.8%
-------------------------	--------------

Regulatory affairs

Number of regulatory inquiries	591
Average time (in days) to close a regulatory inquiry	9

*CAPA : Corrective And Preventive Actions

For Regulatory Affairs we can see a trend linking the improvement in our performance with the shortening of the average time taken to close a regulatory inquiry drop from 11 to 9.

BUSINESS ETHICS

SGD Pharma conducts business in many countries. We believe that corruption negatively impacts the communities and economies where we do business and that it must be eliminated to realize a sustainable, inclusive, and transparent society. Being present in many countries, we are subject to many regulations and laws and we are very attentive to any change or new regulation that could affect our operations.

INTERVIEW



JULIEN GAZEL

Senior Legal Counsel

“We care deeply about how business is conducted by all of our stakeholders. In 2021, we have observed a significant increase in cases reported via the Third Party Validation Procedure which allows us to monitor and verify the probity of our customers, suppliers, distributors, agents and prospects all around the world. We perceive through the use of an enhanced commitment to conduct our business in accordance with applicable laws and regulations.

SGD Pharma strives to carry out awareness-raising actions, particularly on subjects relating to corruption (gifts and invitations policy), fraud, international sanctions or personal data protection.”

COMPLIANCE AND CORRUPTION

Our Code of Business Conduct and Ethics

Our group-wide Code of Ethics and Conduct provides a comprehensive overview of SGD Pharma's values and standards for ethical and responsible business conduct. The code is applicable to our employees, representatives, and supervisory board members. The code has been translated into four different languages, French, English, German and Chinese. It was strengthened with the highest standards and new regulations in 2017 and is acknowledged and followed by every employee or person acting on behalf of the company.

It is divided into 8 parts:

- Respect for individuals
- Confidentiality and protection of sensitive information
- Respect for health, safety, and the environment
- Prevention of conflicts of interest
- Fighting corruption and influence-peddling
- Respect for the principles of free competition
- Health and safety in relation to service providers
- Whistleblowing procedure

Compliance committee

Our Compliance Committee was created in 2016 and is composed of the Group General Counsel, the HR Group Director, the CCO and the CFO. The committee meets quarterly to address issues related to the Code of Ethics and Conduct, the regulatory requirements on transparency, anti-corruption training, third parties and risk mapping of third parties, GDPR, the Supplier Code of Conduct and alerts received through the whistleblowing system. The whistleblowing system allows employees to report any issue without blame.

An annual action plan is developed by the Compliance Committee and is reviewed for progress on a quarterly basis.

Internal audit

SGD Pharma implemented an internal audit program (risk-assessment based) to assess the compliance of practices with the business ethics principles and with national and international regulations across the organization. In 2018, 100% of all entities were covered by the internal audit program.

FCPA Policy

As per Article 17 of the Sapin II Law, our FCPA policy specifies the company's zero-tolerance policy in relation to corruption in all forms, and complements the Code of Business Conduct and Ethics by describing the corruption or influence-peddling behaviors prohibited by law and by the company in greater detail, and to prevent anyone acting on behalf of the company from being involved in **"active"** or **"passive"** corruption by setting forth the appropriate guidelines and principles.

No corruption or bribery incidents have been recorded to-date. In addition, SGD Pharma has not had any issues or been subject to any litigation concerning ethics for the past 5 years.



OUR 2021 ACTION PLAN

We closely monitor global anti-corruption law enactment and enforcement trends to ensure that our global ethics and compliance program and internal controls address these evolving risks properly. We believe that the way we achieve results is important as the result itself. And we aim to disseminate awareness of compliance to every person in SGD Pharma, from top management down to each individual employee.

Anti-corruption training

SGD Pharma is a responsible company, and we forbid our employees to use corrupt practices, regardless of their form or objective.

We provided training on the prevention of bribery as part of our efforts to stop corruption in 2020 and aim to renew it in 2022. Our Fighting Corruption Manual, which applies to all employees, was also publicly disclosed through the corporate website and provides guidelines to all SGD Pharma employees on issues of business ethics.

Managers are also responsible for promoting and communicating ethical standards to employees and answering any questions or concerns. To provide a clear framework, a Limitation of Authorities (LOA) has been defined and implemented so all employees know what they can and cannot do without the approval of managers.

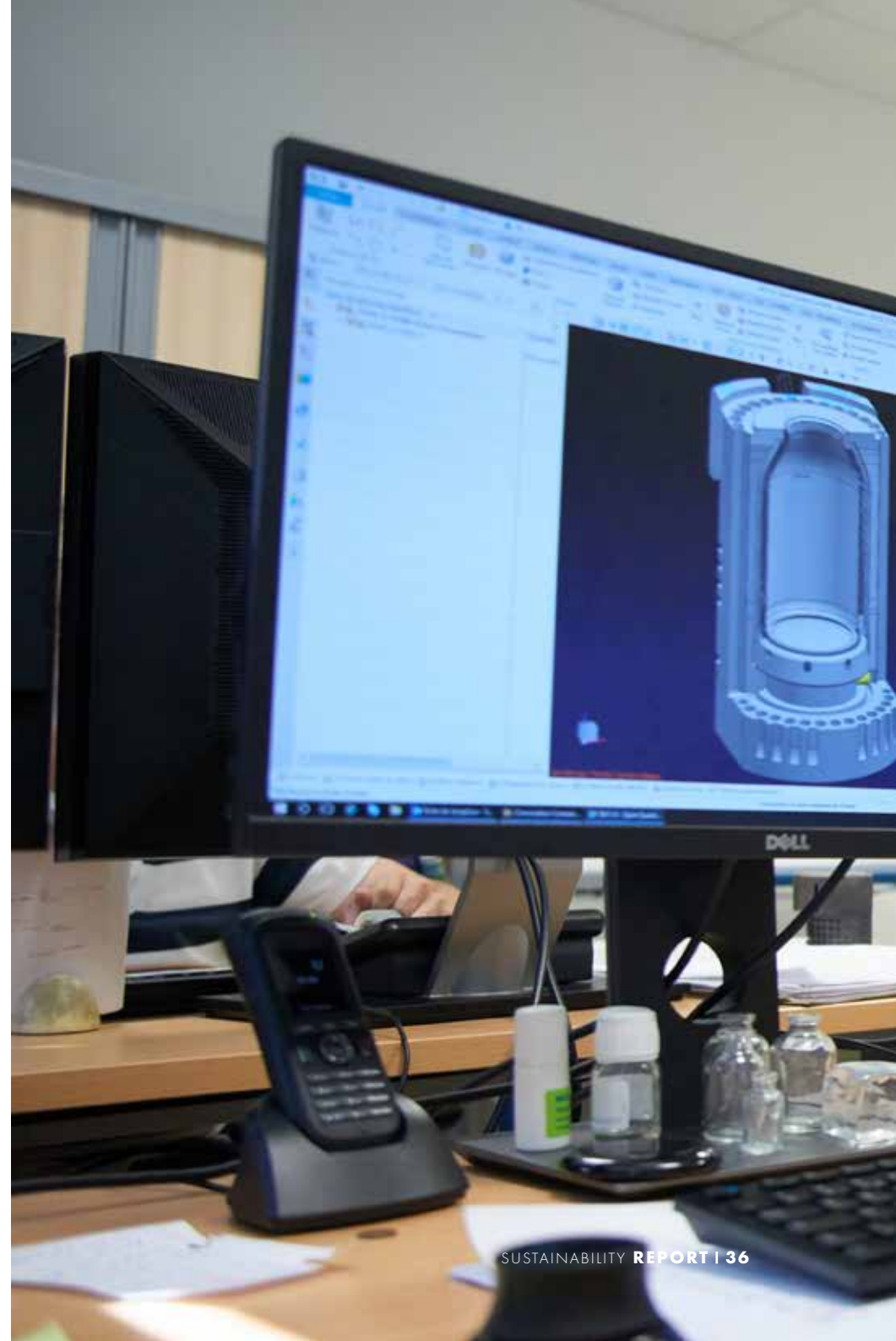
Dow Jones' Risk & Compliance screening of third party databases

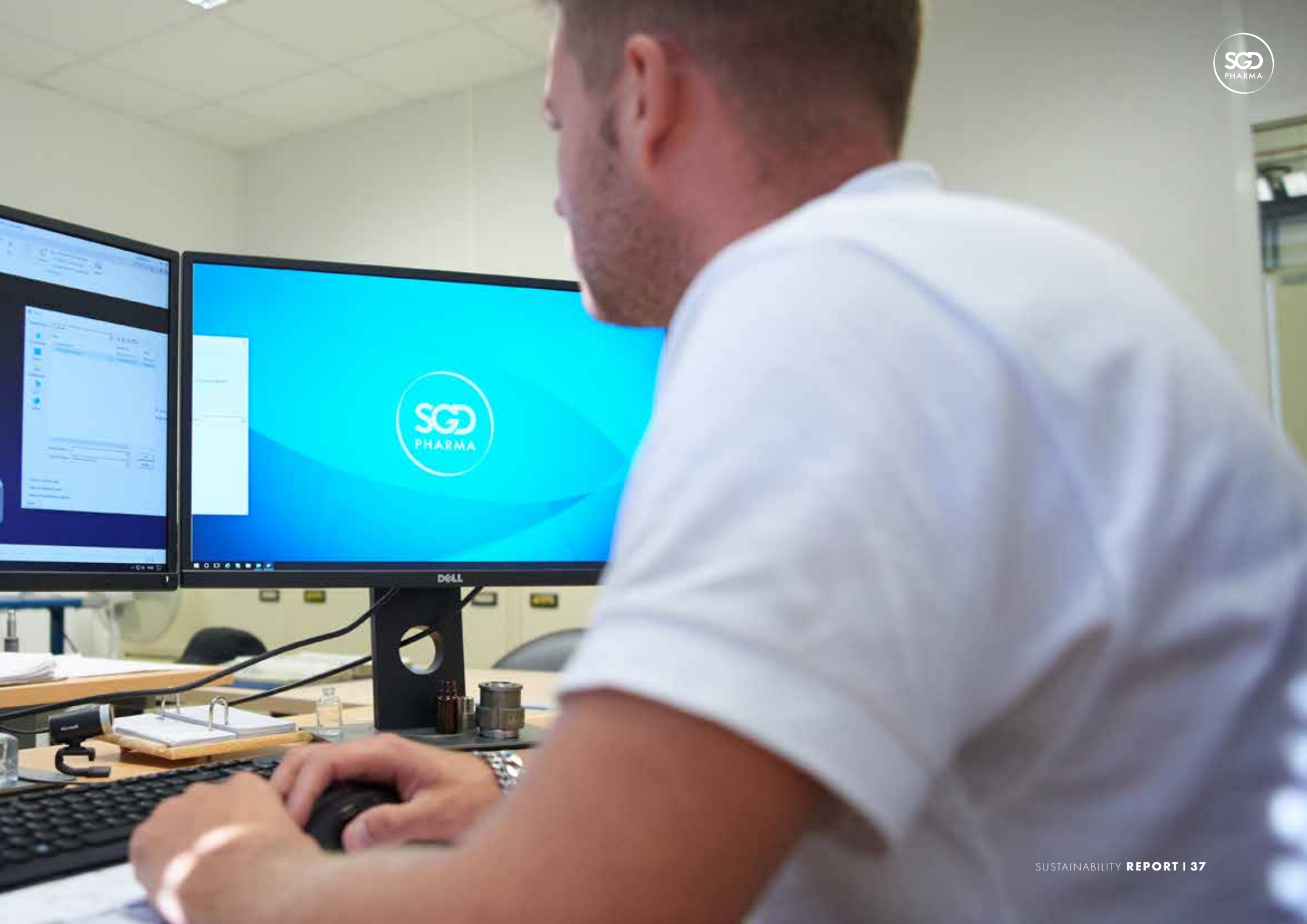
Since managing risk means managing third parties, we hold the objective that none of our third parties will be proscribed under international sanction lists and none convicted of corruption.

In 2021 with the Dow Jones' Risk & Compliance tool we carried out a screening of our customer database to ensure our compliance with regulations, anti-corruption rules, as well as with the imperatives of the duty of vigilance. Any issue found is brought up to the legal department, investigated and discussed at SGD Pharma Compliance Committee level. If a serious issue is proven and substantial, we are expected to cease any process with that third party or cancel any contract immediately.

Our 2022 objectives:

- Awareness on ethical action
- Renewing our anti-corruption training and campaign
- Third-party validation procedure
- Updating lists of at-risk countries





INTERVIEW

ARNAUD CARRARD

Group Information
Systems Director



"In 2021, we began fundamental projects for the future, such as our ERP transformation program, which will have a "real impact" on SGD Pharma's business processes.

We have also invested in the future to be better suited to nowadays' "hybrid working mode" and reworked our security to enable working from any location (home, office, etc.)."

CYBERSECURITY

With the evolution of ways of working, especially with home-office, cyber risks are more than ever a top priority.

Our IT team has implemented awareness-raising actions internally on the risks of cybersecurity. The team provides further cybersecurity training sessions to IT staff that are the most at risk.

ERP upgrade

An ERP transformation program has been launched. It consists of 4 projects:

- A business processes re-documentation
- Global reporting tool upgrade
- ERP (SAP) upgrade (integrated management tool)
- Improvement of certain functionalities following this update

After the process of digitizing all our processes in 2020 we are currently upgrading the integrated management tool. Process digitization has brought a certain number of immediate benefits such as knowledge sustainability and improvements in handling new employees.

Remote working

Because of remote working, we planned to adapt more to a hybrid way of working in the future and it led us to think of a new way to secure the workstations of tomorrow.

Thus, we reinforced our infrastructures, network accesses and planned a better way to provide remote support to homebased users.

2021 RESULTS

% of at-risk employees trained on business ethics issues	98%
Number of alerts reported through whistleblowing hotlines	0
Number of confirmed incidents or legal actions reported	0

Training on data integrity, Vemula, India

Data integrity refers to the accuracy and consistency of data over its lifecycle. Compromised data, after all, is of little use to enterprises, not to mention the dangers presented by sensitive data loss. For this reason, maintaining data integrity is a core focus of the pharmaceutical market. SGD Pharma India works by integrating pharma and regulatory requirements and took the initiative to strengthen our data integrity practices. A workshop on data integrity and ALCOA principles was organized in-house in order to monitor our data integrity performance and build action plans.

“At SGD Pharma India we continuously try to inculcate the pharma mindset amongst our employees. It’s been a great opportunity to lead this Data Integrity Training and Audit process.”

Praveen, Quality



SUSTAINABLE PROCUREMENT

We implemented our Supplier Code of Conduct and CSR questionnaire in 2020 and sent it to our critical suppliers. The suppliers are now rated on their CSR performance at the same level as quality, finance and delivery. We aim to continue to develop partnerships with suppliers that care deeply about social and environmental topics. Our Purchasing Policy is in place and was updated in 2019 with ethical, social and environmental criteria.

SGD Pharma requires all suppliers to comply with national and international laws and regulations on Ethics and Social issues.

As part of our commitment to sustainability, we are working with our key suppliers to improve their sustainability initiatives. Suppliers to SGD Pharma play an important role in the success of our business model and sustainability program. We strive to conduct business with suppliers that share our commitment to high ethical standards and operate in a fair and responsible manner.

Sustainable purchasing is managed via clauses in suppliers' contracts such as the requirement of compliance with social and environmental regulations and the notification of any EHS issues. A third-party verification process using sustainability criteria such as environmental, social and corruption controversies is in place to assess each new supplier from an at-risk country.

Our Supplier Code of Conduct was updated in 2019 to include ethics, labor & human rights, health & safety and environment principles. All our critical suppliers must acknowledge the Supplier Code of Conduct. There is a low risk of disruption of the supply chain and low risk of scarcity of raw materials.



INTERVIEW

BIHAG SHAH

Group Purchasing
Director



“We consider our suppliers to be important partners that help create and provide products and solutions useful for the world. Based on this belief, we strive to deepen mutual understanding and build trust with procurement partners and aim for the co-existence and co-prosperity of both parties. We engage suppliers that share our values and closely manage our supply chain to deliver innovative products that satisfy our customers’ expectations in a socially and environmentally conscious manner.”

OUR SUSTAINABLE PROCUREMENT POLICY

The Purchasing Policy provides clear guidelines of group expectations in terms of purchasing practices to be carried out in all entities. Our Purchasing Policy is governed by the following documents:

- Our Code of Business Conduct and Ethics
- Our FCPA policy (Foreign Corrupt Practices Act)
- Our Limitation of Authorities policy
- Our Third-Parties validation procedure

The overall goal of purchasing is to procure quality products and services in the most costefficient manner while satisfying the company's requirements on a timely basis. Company requirements include the total cost of ownership and ethical, environmental and social matters.

CSR PRINCIPLES EMBEDDED IN PURCHASING PRACTICES AND DECISIONS: OUR MANAGEMENT SYSTEM AND ACTIONS

We have implemented solid management tools to assess our suppliers and ensure they comply with our standards and applicable laws and regulations.

SUPPLIER CODE OF CONDUCT

In 2020, we sent a Supplier Code of Conduct to our critical suppliers for the first time. Our suppliers must follow and sign the general principles and requirements found in the Supplier Code of Conduct which revolve around 4 axes:

- **Ethics:** conflict of interest, corruption, free competition, conflict minerals, animal welfare, privacy and data protection, confidentiality, etc.
- **Labor & Human rights:** forced and child labor, working hours and wages, respect and dignity, freedom of association, discrimination
- **Health & Safety:** worker protection, process safety, emergency preparedness and response, hazard information
- **Environment:** environmental authorizations, climate change, efficiency of resources, waste and emissions, spills and releases

We also encourage our suppliers to implement management systems to facilitate adherence to all applicable laws and regulations and to strive for continuous improvement.

ASSESSMENT THROUGH CSR QUESTIONNAIRES

We have **371 critical suppliers** out of a total of more than 2 500 that represent over 80% of purchasing value and volume. These suppliers are vital for our business and assessing them on their CSR practices is a strategic choice.

During 2020, we developed a CSR questionnaire to review our key suppliers in terms of sustainability. This questionnaire comprised three main topics based on the 10 principles of the United Nations Global Compact:

- Enforcement of policies and procedure
- Management systems and actions implemented
- Results

At the end of the year, the questionnaire was sent to our critical suppliers in order to review their performance on CSR topics and learn more about their practices.

A score was allocated to each supplier based on their responses with a scale that was determined by the CSR and purchasing team. The score has been included in the overall rating of suppliers along with quality, delivery, and financial criteria.

2021 RESULTS

% of risky suppliers for which conflict minerals information is available	100%
% of customers assessed through Dow Jones	100%
% of critical suppliers assessed through Dow Jones	100%
% of targeted suppliers that have been assessed through CSR questionnaire	80%
% of critical suppliers having CSR clauses in their contracts	80%
% of critical suppliers that have signed our Business Code of Conduct and Ethics	85%

Our focus in **2022** will be to achieve 100% CSR assessment for critical suppliers.

3



OUR ENVIRONMENTAL ASPECTS

**ENERGY CONSUMPTION
& GREENHOUSE GASES**

REUSE, WASTE & WATER

LOCAL & ACCIDENTAL POLLUTION

SGD Pharma consumes a significant amount of energy due to the activities of our company, resulting in high GHG emissions. Glass production necessitates vast quantities of raw resources (sand, water, ores etc.) and, if not properly managed, can impact resource scarcity.

The first step in defining ourselves as a sustainable company is to be mindful of our influence on the environment. If we are to make a responsible contribution to the industry, our actions must adapt with a constant focus on sustainability. We've established goals for lowering energy usage and CO₂ emissions, as well as improving water, waste management, and resource efficiency, to help the environment. To remain competitive, all of these areas need to be improved, which will necessitate financial and social expenditures.

Glass, on the other hand, is the greatest material for storing delicate medication since it has little interaction with its contents and is a durable barrier to oxygen and gas. Furthermore, glass is 100% recyclable.

We're committed to protecting the environment. We use a comprehensive environmental management system (EMS) certified to ISO 14001 to detect and regulate environmental impacts and to continually improve our performance in support of this goal.



INTERVIEW

LAURENT THURET

Group EHS Director



“During 2021 we were able to take a step further in our involvement with environmental issues. We have continued to work on EHS processes, and we have particularly worked on safety at the various sites.

Our focus in 2021 was on limiting our environmental impact and in 2022 we wish to continue our progress and our improvements as we continue to work on this theme. We aim to focus on improving our environmental impact and how we work our way to be in alliance with our convictions.”

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Due to its extremely high melting temperature (about 1500°C), glass manufacture is an energy intensive industry. Furthermore, glass mix contains carbonated raw materials, which release CO₂ into the atmosphere during the melting process.

As a result, we continuously improve the energy efficiency of our industrial processes to minimize our GHG emissions and prevent climate change. For our furnaces, we systematically invest in the best available technologies (BAT) and upgrade our installations on a regular basis throughout the manufacturing process.

For instance, our plant in Saint-Quentin-Lamotte is equipped with a full electrical furnace since 2015 and a second oxy-fuel combustion furnace equipped with electrical boosting, which allow the plant to produce glass with low carbon emissions.

Over many years the evolution of furnace design has moved towards a progressive substitution of fossil-heavy oil as a combustible.

We recycle all our internal glass debris and ensure that no raw materials are thrown away. Using cullet in the process has several benefits. As the melting temperature drops, it uses less energy and emits less CO₂ as a result of energy consumption and raw material decarbonization.

To increase drastically our contribution to limiting global warming / climate change, our multidisciplinary team identified and quantified more than a hundred opportunities and projects that included the need for a technological breakthrough up to 2050. This helped us rethink our carbon footprint reduction strategy with an ambitious target. This will be integrated in our 2022 new climate strategy.

We also maintain active monitoring and participation in technological development projects such as hydrogen, decarbonated raw materials, furnace for the future.

ENERGY MANAGEMENT AT SGD PHARMA

Once a furnace is lit, it isn't switched off. Our forming processes and our utilities are very high energy consuming and create GHG emissions.

Thus, we have developed an internal energy management standard (based on ISO 50001) that continually improves the energy performance at all SGD Pharma plants and develops a group culture of energy performance.

This management system includes 4 phases (based on a classic PDCA approach):

- Energy audit: Identifying major energy users, establishing energy performance indicators, objectives and targets, as well as corresponding action plans
- Implementation: of previously created action plans, as well as the integration of energy performance targets into procurement methods
- Monitoring, measurement and analysis are all part of the verification process
- Corrective actions: improvement phase that takes nonconformities into account

INTERVIEW

LUC DEFFONTAINES

Technical & Engineering
Director



“During 2021, we took advantage of projects such as the renovation of the Sucy furnace to identify and reduce industrial risks. Thanks to the audits carried out on site, we were able to have an overall vision of the risks linked to our site. During the construction of the Sucy furnace there were no accidents, which we owe to our prevention initiatives and our continuous improvements around safety. Obtaining certification is an achievement that was made possible thanks to all the actions already implemented on investment projects and projects to control our consumption processes.”

IMPROVEMENTS IN ENERGY EFFICIENCY AND SAVINGS

Cullet yard roof, Zhanjiang, China

Cullet previously stored outside have been covered through the construction of a cullet yard roof. This project aimed to reduce humidity in the cullet due to rainwater, which directly contributes to the furnace energy saving effort.

Eco-grazing, Saint-Quentin-Lamotte, France

Eco-grazing consists of maintaining a grassy area by letting animals graze there. On a plot of 67000 m² in Saint-Quentin-Lamotte, we use sheep as a method of eco-grazing. This mowing without gasoline or electricity also saves transport related to the removal of green waste. And eco-grazing produces no noise disturbance, with the exception of a few bleats. It also helps biodiversity because our management allows us to maintain a diversified flora, thanks to the food preferences of the sheep. This also contributes to the fight against invasive species such as Japanese knotweed.

Heat recovery project, Vemula, India

Waste heat from fuel burning in the furnace is heat that is valuable. In Vemula, India, in 2019, a waste heat recovery system was built on the furnace, and the energy recovered is used to generate air conditioning. The technology was then spread in 2020 to boost the furnace's energy recovery even further. This allows us to recover a large amount of waste heat while avoiding significant scope 2 CO₂ emissions.



FUTURE PROJECTS FOR IMPROVEMENTS IN ENERGY EFFICIENCY AND SAVINGS

Green electricity project

Glass making is a high energy-intensive process. It is extremely crucial for SGD Pharma to investigate projects that can minimize scope 2 emissions in order to limit its environmental effect.

Following our 2020 to solar power production study in all sites, a 1 MW project that will cover all the Vemula facility rooftops has been validated for installation in 2022.

ISO 50001 management training, Zhanjiang, China

To prepare for the ISO 50001 Energy Management System (EnMS) establishment, we invited the SGS company to hold two training days from April 8th to 9th 2021. The training was in two parts: the kickoff ISO 50001 energy management system construction and internal audit training.

Taught by theory, case study, team discussion and other channels, the trainees increased their understanding about the EnMS.



2021 RESULTS

Electricity consumption (MWh)	208 111
Fossil fuel consumption (MWh)	494 970
Overall energy consumption (MWh)	703 081
ISO 50001 implementation	2/6



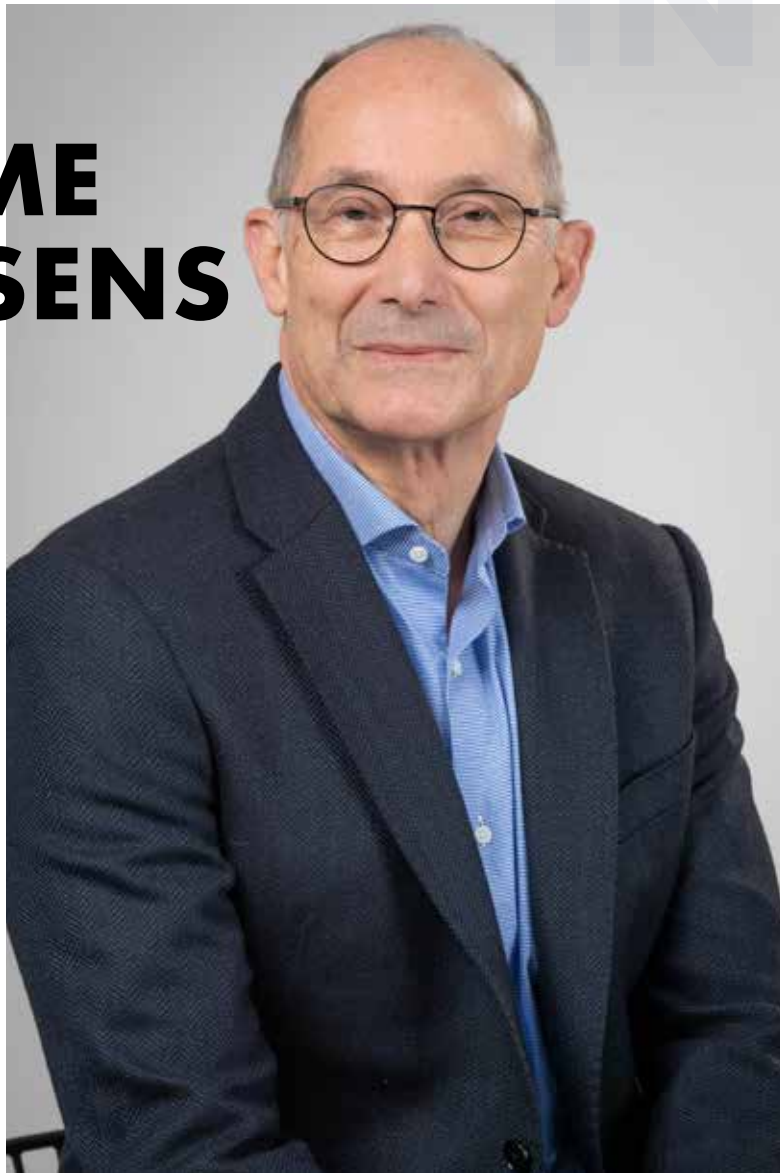
The theme of this year's **World Environment Day** was '**Ecosystem Restoration**'.

Ecosystem restoration can take many forms: growing trees, greening cities, rewilding gardens, changing diets or cleaning up rivers and coasts. At SGD Pharma India, employees have planted saplings and distributed plants to spread the message about protecting our nature.

INTERVIEW

JÉRÔME BRASSENS

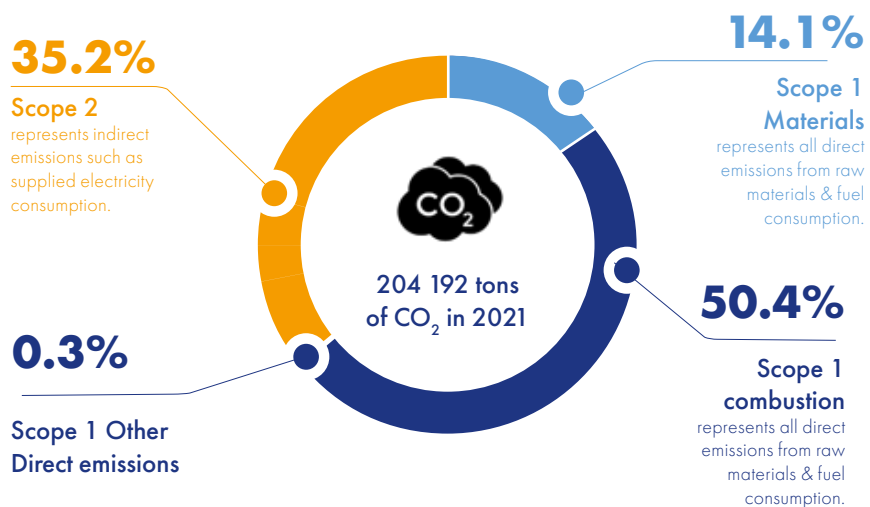
Chief Financial
Officer



“At SGD Pharma, as an industrial group, we believe it is vital that our environmental footprint is integrated into the management of our business because this requires some specific and long-term actions. Our new shareholder PAI Partners shares our view and supports the integration of our environmental concerns into our financial strategy. We have developed a company-wide program to coordinate and develop innovative solutions within our manufacturing processes to reduce gas emissions.”

Distribution of GHG emissions by Scopes and sources

The **Scope 1 & 2** GHG Footprint at our five production sites (204 192 tons of CO₂e*).



Scope 3 : in 2021 only business travel was calculated for scope 3. Our target is to have a full calculation of scope 3 for 2022.

Among our plants, we have identified 3 main sources of CO₂ emissions:

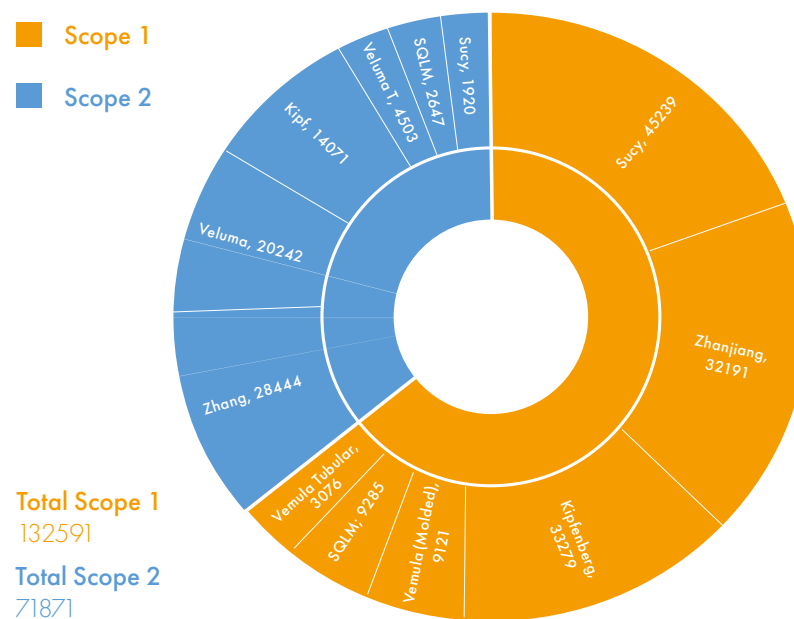
- **Direct emissions** represent 65% of our overall emissions.
- **Fuel consumption** for heat generation in the manufacturing process and buildings represents 50% of our overall emissions.
- **Process emissions with 14%** of total GHG emissions generated by the chemical reactions of **carbonated raw materials** in mostly soda-lime glass formulation (**Type III**). Plants producing borosilicate glass (**Type I**) have a much lower rate of process emissions.
- **Electricity: represents 35%** of our overall CO₂ emissions generated by purchased energy used in the manufacturing process. This is equivalent to **Scope 2** emissions. These emissions come primarily from our production sites in Asia and Germany, where energy sources used for production of electricity are more carbon emitting than in France.

This year, for the first time, we decided to ask **KPMG** to conduct external controls of our worldwide Scope 1 & Scope 2 **CO₂ emissions calculation**.

Scope 3

Several carbon reduction initiatives related to Scope 3 have already been implemented:

- **Maritime transport** which has a lower impact is favored instead of road transportation for moving products from the Sucey-en-Brie Plant to Le Havre harbor.
- For road transport, SGD Pharma requires specific statements from carriers specifying that they use **recent vehicles with lower emissions**. In 2018, SGD Pharma launched the “**Load Factor Optimization**” project which aims to optimize the filling rate of carriers’ trucks, thereby reducing both costs and carbon emissions.



2021 RESULTS

CO ₂ e emitted (Scope 1 & 2) in metric tons	204 192
CO ₂ e per melted metric ton of glass	0,761

REUSE, WASTE & WATER

Virgin raw materials are the most fundamental input resources in our production processes (sand, lime, soda ash, etc.) also **Energy** (electricity, fossil fuels) and **Water**.

We are exploiting natural resources with caution in a global setting of resource scarcity. In addition, the supply of raw material is preferably chosen to be local.

Packaging (wooden pallets, plastic, metal packaging, etc.), equipment and facilities (refractories, metal scraps, etc.) and process waste all contribute to the waste generated by the glass industry (refrigerants, sludges, oil etc.).

Sustainability week in Kipfenberg! A sustainability course was given by the university and a day of action rounded it off

In times like these, it is particularly important to raise awareness and encourage a change in thinking about environmental protection. That is why our EHS team launched "Sustainability" action weeks at the end of June.

In this initiative, two themes that contribute to sustainable development are published weekly in Sharepoint.

The virtual sustainability course from the "Technischen Hochschule Ingolstadt" (university) at the Ingolstadt Regional Garden Show completed these informative contributions.

A day of action on 21 July rounded off the entire campaign, encouraging the workforce to become active themselves and to make a sustainable contribution.



INTERVIEW

CHRISTOPHE MUGUET

Chief Operating
Officer



"SGD Pharma has always been invested in sustainable actions, so we have made great strides to implement changes to our sites so that they are compliant with environmental, social and ethical requirements.

Considering the medium size of the company, the topic of sustainability has been taken seriously and we can be happy with the progress of the last 3 years.

We are truly committed to do what is right in terms of people management, the environment, safety, and compliance with all applicable regulations.

Due to the nature of glass manufacturing, our plants use a high amount of energy that leads to greenhouse gas (GHG) emissions. Our main challenge is now to accelerate our carbon footprint reduction. We have therefore set long-term objectives for reducing our carbon footprint and reach zero net emission by 2050."

WATER MANAGEMENT

Even though water travels continually around the world via the water cycle, the amount of water accessible for use by the planet's people is limited. With population expansion and other challenges putting further strain on water resources, the urgency of maintaining this resource will expand in the coming years.

Taking the locations of its sites into account as well as regional variances, SGD Pharma will continue to take initiatives to reduce water extraction and guarantee that the water returned to water sources is of a quality that does not negatively influence the environment.

Our water management strategy is based on two axes:

- Responsible resource consumption
- Water treatment and quality monitoring

Water is primarily used by SGD Pharma to cool the manufacturing process during the melting and forming stages. We constructed closed-loop circuits at our factories to cut our water use. Water is obtained mostly from public utilities or wells and used to level the water pressure in our closed-loop systems. After that, the water is treated before being repumped into the system.

Because of our water consumption management we achieved a reduction of 31.2% in the last five years since 2017. We are not only working on closed water loop designs but also on improved management of the degraded mode.

Furthermore, in Vemula, India, a huge volume of our industrial water comes from a rainwater tank, reducing the need for water from the public network. With a volume of 15 000 KL the rainwater recuperation tank gives us a saving of up to a third of annual consumption at the plant since 2019. This was made possible by significant expenditure and modifications to our buildings and water management systems.

WASTE MANAGEMENT

SGD Pharma's waste management goals are as follows:

- Reduce waste creation
- Encourage reuse and recycling
- Reduce garbage sent to landfill.

Our Group strategy is built on sharing best practices across our sites.

2021 RESULTS

ISO 14001	5/6
% of recycled waste	90%
Total amount of waste (metric tons)	15093.04
Total amount of hazardous waste (metric tons)	703.23
Water consumption relative to production (m ³ per metric ton of glass)	2.31

We achieved our target of 5 out of 6 sites certified ISO14001. Therefore, 100% of our plants producing glass (5) are certified ISO 45001 since 2021.

Our absolute water consumption has reduced since 2017 and by 6.3% since last year.

LOCAL & ACCIDENTAL POLLUTION PREVENTION

If our manufacturing processes and resources are not properly managed, it could result in environmental consequences such as combustion-related air emissions, polluted water discharges, and noise pollution.

SGD Pharma, however, is proactive and dedicated to mitigating these effects, and has created action plans and procedures to minimize and reduce these risks.

We have also had a strong focus on environmental compliance to ensure we meet all applicable regulations regarding emissions, water treatment and waste management.



OUR ACTIONS TO PREVENT LOCAL POLLUTION

Control of water discharge parameters

We worked on wastewater discharges in our site in China and completely reviewed our wastewater circuit and treatment. We have also increased the capacity of the wastewater treatment plant as well as improved the monitoring of the discharges and the water consumption.

Because a substantial volume of water used in our process is released back into the public water network and rivers, it must be monitored.

We have erected de-oiling and decantation tanks at our plants to remove contaminants from water that was rejected for use in rainwater systems. Several factories also have their own wastewater treatment systems. A new water treatment system was installed in 2021 at our French location of Saint-Quentin-la-Motte to improve the quality of water effluent.

We are monitoring and collecting samples for several parameters, such as:

- pH
- Temperature
- Hydrocarbon traces
- COD* & BOD**

*COD: Chemical Oxygen Demand in wastewater
 **BOD: Biochemical Oxygen Demand in wastewater

Noise pollution

Manufacturing glass is considered a heavy industry. The melting process and the forming process, as well as some necessary facilities equipment are especially noisy.

We respect important legal restrictions on noise levels outside our factories, especially in urban areas and so do not disturb local neighborhoods and also in rural areas so as not to disturb the local fauna.

Some improvements were implemented in Kipfenberg in 2020 and at Zhanjiang to avoid noise emission at the site's boundaries.

Mitigating air emissions

The main pollutants released in the atmosphere during the manufacture of glass are Nitrogen oxides (NOx) and Sulfur oxides (SOx). In high concentrations these can have adverse impacts on health and the environment.

Additionally, other air pollutants, such as dust, can also be emitted during the process. Various plants are equipped with air emission abatement systems such as electrofilters or De-Nox.

In China, we installed a VOC treatment for all decoration equipment in 2021. We also finalized validation of DeNOx with local government.

2021 RESULTS

Total amount of SOx emitted (metric tons)	234
Total amount of NOx emitted (metric tons)	357



OUR 2022 PRIORITIES

In 2022, we will continue to pursue our efforts to reach zero accidents through systematic reinforcement of our safety robustness procedures at each site.

Particularly, we will focus on two aspects:

- Strong engagement from all management layers into promoting safe behavior and to foster a continuous improvement mindset regarding safety
- Reduction of all critical risks by implementing risk mitigation actions

We will target reaching and maintaining compliance on all critical and major environmental regulations. The focus will be on Sucy and Zhanjiang.

We will prepare several major furnace repairs:

- Saint-Quentin-Lamotte
- Sucy en Brie
- Zhanjiang

with the focus on CO₂ emissions and energy consumption.

We have set out a long-term CO₂ and energy strategy to reach zero emissions by 2050 at the latest. The first version was finalized at the end of 2021 and shared by the Executive Committee early in 2022. This will accelerate in the coming year with visible changes in our investments starting next year.

FOCUS ON THE FURNACE RECONSTRUCTION AT SUCY-EN-BRIE

The main investment project of 2021 has been the reconstruction of one of the large furnaces at Sucy, near Paris. We have upgraded the furnace to the best available technology enabling a reduction in consumption of 13%, on a comparable basis, and a significant reduction in NOx emissions.

A key focus of the 2020-25 investment project has been reducing energy consumption and carbon emissions, as well as optimizing water, waste management and resource efficiency.



A project for improving energy efficiency and producing energy savings

The furnace involves the highest consumption of energy during our industrial processes. The furnace design and combustion equipment used are the “Best Available Technologies” with lower NO_x, SO_x, and dust emissions and increased energy efficiency. For the next few years, furnace rebuilding is planned in three of our plants: Vemula, Sucey and SQLM.

These improvements will increase energy efficiency by more than 10% and will simultaneously reduce GHG emissions.

Batching and melting

The recent renovation has required a new metal frame ‘superstructure’ holding the furnace. New supervision equipment such as an inside camera, temperature control system and batch regulator will allow workers to regulate the furnace better and improve pull capacity by 10%.

The melting zone has also been optimized with electrical boosting and a deep refiner to improve on flexibility. These changes will not only benefit our glass quality, but will also significantly reduce Sucey-en-Brie’s energy consumption by 13%.

Forming

The floor tiles have been updated within the forming stage of the hot-end of the furnace to create a more ergonomic workstation and prevent a possible slip hazard. Better consistency in the forming process has been achieved by an IS machine and annealing lehr maintenance, and with the addition of both equipment, the risk of deformed bottles and breakages is greatly reduced. Another new IS machine is planned for 2023.

Inspection and packing

In the cold-end area of the furnace, the ISO 8 clean rooms have been completely renewed, reducing any potential contamination risk. Half of the cold-end inspection machines have also been upgraded to allow for better defect detection and improved traceability.

A new shrinkwrapper and three new palletizing robots within the final packing stage further improve repeatability and flexibility.

Investment in our workers

SGD Pharma continues to focus investment in its people, and at Sucey-en-Brie there is no exception – we believe that technicians are key to the future success of Sucey. One of the ways we acknowledge the importance of the Sucey workforce is through the creation of new positions that are focused on product improvement and market support. These include: Operational Quality Managers and the Product Development Manager to name two. We are excited to have project teams led by knowledgeable engineers that are bringing innovative ideas to the company.

Another of our main long-term goals for Sucey-en-Brie, and all SGD Pharma plants, is to reduce the number of accidents to zero. It is our duty to protect our staff, so safety will always be a core value of the company and a top priority in investment decisions. In order to achieve this target, we have been investing in industrial improvements such as catwalks, ladders and ergonomic workstations as well as stricter and higher-quality training programs for existing and new workers. We will continue to evaluate all potential risks and hazards at all of our plants so we can continue working to mitigate them.

The next step for 2022

The next major step will be the reconstruction of the second furnace in 2023 for the Sucey plant, using the best available technologies to further reduce GHG emissions and to use electricity and natural gas power for better heat recovery and electricity boosting.

INTERVIEW

GREGORY DECOSTER

Sucy Plant Manager



“The human dimension is at the heart of the success of the **Sucy Pharma 20-25** project. The involvement of men and women is an absolute priority in achieving our industrial objectives: safety, quality, productivity.

We pay particular attention to the human dimension by developing a dynamic of sustainable commitment, driven by teamwork and the cohesion of the various project stakeholders. This is built around several levers:

- The feeling of support and support itself: clarifying the need for change, the meaning of the project and ensuring permanent communication about its objectives and successes.
- The feeling of mastery and control: by developing co-construction mechanisms favoring individual projection, exchange, and regular sharing with the actors driving the transformation on the ground.
- The feeling of belonging: by working on individual recognition and team cohesion.”

4 OUR LOCAL INITIATIVES

FROM AROUND THE WORLD

Local initiatives at SGD Pharma are programs, projects, and actions that take place near our facilities across the world. We assist local and community development through these projects by encouraging health, sports, education, culture, and environmental protection. These programs are carried out on a volunteer basis and represent our desire to share the value produced by our activities with communities.



INTERVIEW

FRÉDÉRIC BARBIER

General Manager
China/Asia-Pacific



“We take our role as citizens to heart. We have developed multiple actions to support our local communities. We make efforts to hire seniors, people from minorities and people in precarious situations when it is possible to do so. Each year, we hire newly graduated students from Zhanjiang City Special Education School for the mute. SGD Pharma China and Asia-Pacific is also actively contributing in the national effort in China to protect biodiversity. We support and participate in the planting of mangrove trees, an important part of the ecosystem of our coastal city. On the industrial side, we have made several investments to protect the environment and reduce our carbon footprint. All these actions are part of our civic duty and we will continue these efforts for many years to come.”

OUR LOCAL INITIATIVES

FROM AROUND THE WORLD

MANGROVE PLANTING, ZHANJIANG, CHINA



Supporting our commitment to protect biodiversity, SGD Pharma China and Asia-Pacific is organizing mangrove tree planting events several times per year.

We organize these events to contribute to the protection of biodiversity and to raise awareness into our workforce on the importance to protect our planet.

These events are held in association with Zhanjiang Nature and Resource Bureau and Guangdong Ocean University. We have so far planted 300 trees by mid 2022 and will continue to grow our contribution.

CARRYING OUT HOUSEHOLD SURVEY ON EMPLOYEES IN DIFFICULTY, ZHANJIANG, CHINA



Every year, SGD Pharma Asia Pacific conducts home visits to employees in need. The visit is organized jointly with our union representatives. After discussion with the employees about their situation, the company and the unions have a better understanding of the conditions and the needs of these employees in difficulty, and better know how to organize assistance to help them.

OUR LOCAL INITIATIVES

FROM AROUND THE WORLD

DISTRIBUTION OF FOOD TO TRUCK DRIVERS, VEMULA, INDIA



SGD Pharma India is carrying out an initiative to distribute packed food to the truck drivers who bring essential commodities to the plant, covering long distances without getting food.

"These drivers are bringing us the raw materials, covering long distances. It's also not easy to get food on the highway during lockdown. So we are carrying out this service to help them."

Prashant Kanchabatla, Logistic

CHOOSING RECYCLED PAPER INVOLVES A HOLISTIC ENVIRONMENTAL APPROACH, HEADQUARTERS, PARIS



As part of its corporate, societal, and environmental initiatives, SGD Pharma headquarters mainly provides its marketing tools as digital versions.

Using recycled paper, instead of PEFC certified paper, for all future printed communications was the logical and greenest option. Manufacturing recycled paper uses less water, less energy and produces lower carbon emissions compared to virgin fiber paper. Furthermore, we decided to work with a local printer who is aligned to our CSR commitments: FSC, ISO 9001 (quality), ISO 14001 (environment) and Imprim'Vert labels, Reforest'Action partnership...

Using recycled paper, SGD Pharma acts as a responsible citizen by supporting the development of sustainably managed forests

OUR LOCAL INITIATIVES

FROM AROUND THE WORLD

ANNUAL HEALTH CHECKUP, VEMULA, INDIA



At SGD Pharma, taking care of one's health is encouraged and promoted by the company. Health and employee wellness play an important role in their output. SGD Pharma India has organized an annual check-up for their employees which consists of blood tests, diabetes tests, ECGs, hearing tests, etc., along with consultations with experts.

SGD Pharma India also organized an eye check-up for its Optical Inspectors/Sorters. Around 380 employees have taken the eye check-up, providing a pair of eyeglasses for those diagnosed with vision problems.

Since 2021, we have been confronted with our own collective and individual obligations in relation to human life and economic systems. The Covid epidemic and its unexpectedly harsh danger to life resulted in lockdowns and restrictions, laying the groundwork for a severe socioeconomic catastrophe.

To deal with the pandemic waves, SGD Pharma selected proactive resilience and took actions to safeguard its people first and satisfy its business goal.

Because our top goal in combating COVID-19 has been the safety of our staff and the public.

In 2021, SGD Pharma worked to secure the safety and health of all people while also assisting local communities. Working together remains a vital motivator in overcoming the problems we confront because of this exceptional crisis. Since the beginning of the epidemic SGD Pharma has been devoted to assisting local communities.

OUR LOCAL INITIATIVES

VACCINATION CAMPAIGN AGAINST COVID-19

SGD PHARMA VEMULA, INDIA



As India's Covid-19 cases have dropped gradually, Indian states are slowly phasing out the regular lockdown. Meanwhile, reputed organizations that care about their employee's well-being have already started a free vaccination drive for their employees.

SGD Pharma India, being one among them, has successfully vaccinated about 1100+ employees and their family members. A collaboration with the International Continental Hospital has completed this vaccination drive covering all their permanent and contract employees.

"We are thankful to SGD Pharma management who are not only thoughtful of my husband's health but also for his family."
 Nazeemunisa Begum, w/o Nasar Hussain

SGD PHARMA KIPFENBERG, GERMANY



Numerous vaccinations have been carried out at the Kipfenberg plant since May 10th 2021. Through the SGD Pharma vaccination program, 91 people have been vaccinated.

OUR LOCAL INITIATIVES

DONATION DURING THE COVID-19

SGD PHARMA ASIA-PACIFIC

Under the pandemic situation, SGD Pharma has not been able to visit its clients in Indonesia for more than two years. In order to show care and support to our customers during this difficult period, SGD Pharma decided to join the campaign initiated by agent CPT. SGD Pharma has sponsored 1 000 Care Kits (including masks, hand sanitizer, wet tissue, dry tissue, vitamin C and milk) which have been given to SGD Pharma clients in Indonesia.



CSR DASHBOARD 2021 & 2022 OBJECTIVES

Material topics	Commitments	Key performance indicator	Unit	Achievements	Objective
				2021	2022
3 GOOD HEALTH AND WELL-BEING					
Our people					
Health and Safety	Zero accidents, zero occupational illnesses	FR1 (Lost time injury rate for direct workforce)	-	3.28	2.2
		LTA + NLTA (Lost time accident + non lost time accident)	-	30	24
Career management and trainings	Attract, develop and retain our talents	Attrition	%	7.60%	-
		Average hours of training per year per employee	hrs	25.9	-
Social dialogue & diversity	Equal employment and promotion opportunities	% of the total workforce covered by a formal collective agreement	%	38%	-
		% of women in top management position	%	32%	-
		% of women employed in relation to the whole organization	%	38%	-
8 DECENT WORK AND ECONOMIC GROWTH					
17 PARTNERSHIPS FOR THE GOALS					
Our Business Values					
Quality of service and competitiveness	Zero non-conformity	OTIF 1 (On-time-in-full-delivery)	%	97.30%	99%
		Customers claims number	%	-20%	-20%
Global business ethics policy	Full compliance with national and international laws and regulations	At-risk employees across all locations who received training (e.g. e-learning) on business ethics issues	%	98%	100%
		Number of alerts through the whistleblowing hotlines	-	0	0
Sustainable procurement	Strengthen our supply chain and ensure business continuity	% of critical qualified suppliers assessed through Dow Jones (third-party verification)	%	100%	100%
		% of targeted customers assessed through Dow Jones	%	100%	100%
13 CLIMATE ACTION					
Our Environmental Aspects					
Energy consumption and greenhouse gases	Improve energy efficiency and tackle climate change	Annual GHG emissions (scope 1 & 2)	tCo2eq	204 192	-
		GHG emissions (scope 1 & 2) per melted tons of glass	tCo2eq/tg*	0.761	-
Reuse, waste, and water	Optimize water use, reduce waste generation and abolish waste to landfill	Water consumption relative to production (melted tons)	m ³ /tg*	2.31	-
		Water consumption	-	-31% vs 2017	-
Local and accidental pollution	Having a positive impact on our local environment	Waste recycling rate (recycled waste / total amount of waste generated)	%	90%	-
		Total amount of NOx	tons	357	-
		Total amount of SOx	tons	234	-
12 RESPONSIBLE CONSUMPTION AND PRODUCTION					



GLOBAL REPORTING INITIATIVE EQUIVALENCE TABLE

STANDARD DISCLOSURE N°	GRI INDICATOR	SECTION TITLE	PAGE
<i>Organization profile</i>			
102-1	Name of the organization	-	1
102-2	Activities, brands, products, and services	Business Model	5
102-3	Location of headquarters	Business Model	5, 77
102-4	Location of operations	Business Model	5, 75
102-5	Ownership and legal form		8
102-6	Markets served	Business Model	5
102-7	Scale of the organization	Business Model	5
102-8	Information on employees and other workers	Business Model	5
102-9	Supply chain	Business Model, Our business values	5, 23
102 -10	Significant changes regarding the organization's size, structure, ownership, or its supply chain	Editorial, Business Model	8
102-11	Precautionary Principle or approach	Our environmental aspects	43
102-12	External initiatives	Business Model, Our local initiatives	5, 59
102-13	Membership of association	Business Model	5
<i>Strategy</i>			
102-14	Statement from senior decision-maker	Editorial	2
102-15	Key impacts, risks, and opportunities	Risks & performance	10
<i>Ethics and integrity</i>			
102-16	Values, principles, standards, and norms of behaviors	Editorial, Business Model, Our business values	5, 23
<i>Governance</i>			
102-18	Governance structure	CSR Governance at SGD Pharma	4
102-19	Delegating authority	CSR Governance at SGD Pharma	4
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Governance at SGD Pharma	4
102-21	Consulting stakeholders on economic, environmental, and social topics	CSR Governance at SGD Pharma	4
102-22	Composition of the highest governance body and its committees	CSR Governance at SGD Pharma	4
102-23	Chair of the highest governance body	CSR Governance at SGD Pharma	4

STANDARD DISCLOSURE N°	GRI INDICATOR	SECTION TITLE	PAGE
102-26	Highest governance body's role in setting purpose, values and strategy	CSR Governance at SGD Pharma	4
102-32	Highest governance body's role in sustainability reporting	CSR Governance at SGD Pharma	4
<i>Stakeholder engagement</i>			
102-40	List of the Group's stakeholders	Business Model	5, 8
102-41	Collective bargaining agreements	Our people	12
102-43	Approach to stakeholder	Business Model	5
102-44	Key topics and concerns	Business Model, CSR at SGD Pharma	5, 6, 9, 10
<i>Reporting practice</i>			
102-46	Defining report content and topic boundaries	CSR at SGD Pharma	6, 7, 8, 9
102-47	List of material aspects identified in the process for defining report content	CSR at SGD Pharma	6, 7, 8, 9
102-48	Restatements of information	CSR at SGD Pharma	6, 7, 8, 9
102-49	Changes in reporting	CSR at SGD Pharma, Our environmental aspects	6, 7, 8, 9
102-50	Reporting period	CSR at SGD Pharma	6, 7, 8, 9
102-51	Date of most recent report	CSR at SGD Pharma	6, 7, 8, 9
102-52	Reporting cycle	CSR at SGD Pharma	6, 7, 8, 9
102-53	Contact point for questions regarding the report	Appendix	77
102-54	Claims of reporting in accordance with the GRI standards	CSR at SGD Pharma, Appendix	6, 7, 8, 67
102-55	GRI content index	Appendix	67
<i>Management approach</i>			
103-1	Explanations of the material topic and its boundary	CSR at SGD Pharma	6,7,8,9,10
103-2	The management approach and its components	Each section	All
103-3	Evaluation of the management approach	Each section	All
<i>201. Economic Performance</i>			
201-1	Direct economic value generated and distributed	Business Model	5
201-2	Financial implications and other risks and opportunities due to climate change	Risks & performance, Our environmental aspects	10, 43
201-3	Defined benefit plan obligations and other retirement plans	Our people	12

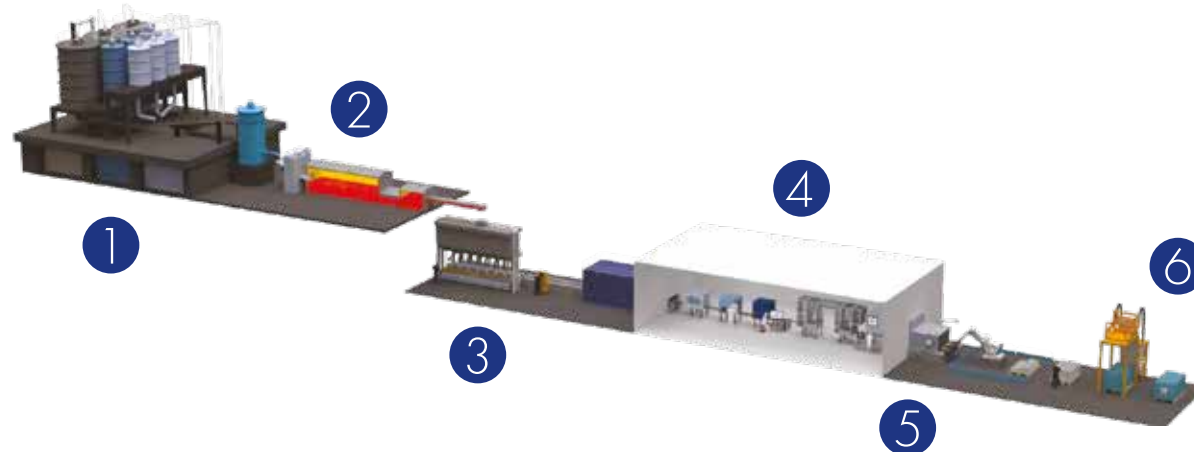
STANDARD DISCLOSURE N°	GRI INDICATOR	SECTION TITLE	PAGE
<i>203. Indirect Economic Impacts</i>			
203-1	Infrastructure investments and services supported	Business Model	5
203-2	Significant indirect economic impacts	Business Model	5
<i>205. Anti-corruption</i>			
205-1	Operations assessed for risks related to corruption	Our business values	26, 35, 36
205-2	Communication and training on anti-corruption policies and procedures	Our business values	35, 36
205-3	Confirmed incidents of corruption and actions taken	Our business values	35, 36
<i>206. Anti-competitive behavior</i>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our business values	35, 36
<i>301. Materials</i>			
301-2	Recycled input materials used	Our environmental aspects	43,51,53,54
<i>302. Energy</i>			
302-1	Energy consumption within the organization	Our environmental aspects	43,45,46,47,48
302-2	Energy consumption outside of the organization	Our environmental aspects	43,45,47
302-3	Energy intensity	Our environmental aspects	43,45,46,47,48
302-4	Reduction of energy consumption	Our environmental aspects	43,45,46,47,48
302-5	Reductions in energy requirements of products and services	Our environmental aspects	43,45,46,47,48
<i>303. Water</i>			
303-1	Interactions with water as a shared resource	Our environmental aspects	43,51,53
303-3	Management of water discharge-related impacts	Our environmental aspects	43,51,53
303-3	Water withdrawal	Our environmental aspects	43,51,53
303-4	Water discharge	Our environmental aspects	43,51,53
303-5	Water consumption	Our environmental aspects	43,51,53,66
<i>304. Biodiversity</i>			
304-1	Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our environmental aspects	43,47,48,61
304-2	Significant impacts of activities, products and services on biodiversity	Our environmental aspects	43,47,48,61
304-3	Protected or restored habitats	Our environmental aspects	43,47,48,61
<i>305. Emissions</i>			
305-1	Direct (Scope 1) GHG emissions	Our environmental aspects	43,45,50,66

STANDARD DISCLOSURE N°	GRI INDICATOR	SECTION TITLE	PAGE
305-2	Indirect energy (Scope 2) GHG emissions	Our environmental aspects	43,45,50,66
305-3	Other indirect (Scope 3) GHG emissions	Our environmental aspects	43,45,50,66
305-4	GHG emission intensity	Our environmental aspects	43,45,50,66
305-5	Reduction of GHG emissions	Our environmental aspects	43,45,50,66
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our environmental aspects	43,54,66
<i>306. Effluent and waste</i>			
306-1	Water discharge by quality and destination	Our environmental aspects	43,51,53,54
306-2	Waste by type and disposal method	Our environmental aspects	43,51,53,54
306-7	Significant spills	Our environmental aspects	43,51,53,54
<i>308. Supplier Environmental Assessment</i>			
308-1	New suppliers that were screened using environmental criteria	Our business value	39,41,42
<i>401. Employment</i>			
401-1	New employee hires and employee turnover	Business model, Our people	5,18,19,20
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people	18,19
<i>403. Occupational Health & Safety</i>			
403-1	Occupational health and safety management system	Our people	12,14,16,17
403-2	Hazard identification, risk assessment and incident investigation	Our people	12,14,16,17
403-3	Occupational health services	Our people	12,14,16,17,61,63,64
403-4	Worker participation, consultation, and communication on occupational health and safety	Our people	12,14,16,17,61,63,64
403-5	Worker training on occupational health and safety	Our people	12,14,16,17
403-6	Worker health promotion	Our people	12,14,16,17,61,63,64
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our people	12,14,16,17,61,63,64
403-8	Workers covered by an occupational health and safety management system	Our people	12,14,16,17
<i>404. Training and Education</i>			
404-1	Average hours of training per year per employee	Our people	11,17,20,69
404-2	Programs for upgrading employees' skills and transition assistance program	Our people	18,19,20
404-3	Percentage of employees receiving regular performance and career development reviews	Our people	18,19,20,4,11
<i>405. Diversity and Equal Opportunity</i>			
405-1	Diversity of governance bodies and employees	Our people, CSR governance at SGD Pharma	4,11

STANDARD DISCLOSURE N°	GRI INDICATOR	SECTION TITLE	PAGE
405-2	Ratio of basic salary and remuneration of women to men	CSR at SGD Pharma, Our People	9,11,23,25
<i>406. Discrimination</i>			
406-1	Incidents of discrimination and corrective actions taken		-
<i>407. Freedom of Association and Collective Bargaining</i>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people, Our business values	9,22,25
<i>408. Child labor</i>			
408-1	Operations and suppliers at significant risk for incidents of child labor	Our business values	22,23
<i>409. Forced or Compulsory Labor</i>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our business values	22,23
<i>412. Human Rights assessment</i>			
412-1	Operations that have been subject to human rights reviews or impact assessments	Our business values	22,23,38,42
412-2	Employee training on human rights policies or procedures, rights clauses or that underwent human rights screening	Our business values	22,23,36,38
412-3	Significant investment agreements and contracts that include human rights assessments	Our business values	22,23,34
<i>413. Local communities</i>			
413-1	Operations with local community engagement, impact assessments, and development programs	Our local initiatives	18,48, 59-65
413-2	Operations with significant actual and potential negative impacts on local communities	Our environmental aspects	18,48, 59-65
<i>414. Supplier Social Assessment</i>			
414-1	New suppliers that were screened using social criteria	Our business values	36, 39-42
<i>416. Customer Health and Safety</i>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		-
<i>417. Marketing and Labeling</i>			
417-1	Requirements for product and service information and labeling	CSR at SGD Pharma, Our People	6,9,10
<i>418. Customer Privacy</i>			
418-1	Substantiated complaints, breaches of customer privacy and losses of customer data	Our business values	35,36,39,42

OUR PRODUCTION PROCESS FOR MOLDED GLASS

With more than 100 years of know-how inherited from Saint-Gobain, SGD Pharma is a world-renowned technical referee in the glass packaging space.



Step 1: Batching

After incoming control, raw materials are stored separately in silos. Glass composition is weighed, blended and introduced in the furnace. SGD Pharma produces the 3 types of glass described in the pharmacopeia:

- **Type 1:** Borosilicate glass, neutral in the mass.
 - **Type 2:** Soda-lime glass with a high hydrolytic surface resistance.
 - **Type 3:** Soda-lime glass with a low hydrolytic resistance.
- These 3 types of glass can be clear or amber.

Step 2: Melting

Specially-designed furnaces reach temperatures of up to 1,600°C (2,900°F). Raw materials are converted to molten glass over a 24-hour period within the furnace. Gravity and convection currents facilitate optimum blending of materials.

Step 3: Forming

Gobs are formed, cut, and delivered into the blank mold. The vial is formed using either a press-and-blow or blow-and-blow process. In both processes, the vial is formed in 2 steps:

- A preform or “blank” is used, and the neck is formed.
- The blank is transferred to the finished mold to form the finished vial.

Fully automated IS forming machines are equipped with multiple stations to form from 4 to 48 vials per cycle. After forming, all vials are controlled and pass through annealing Lehr to release glass mechanical stress.

Step 4: Inspection in the cleanroom

Once formed and cooled, 100% of the vials and bottles are inspected in a cleanroom environment (ISO 8) to control: dimensions, including wall thickness and diameters; glass integrity; seal and bottle integrity; neck and bottom integrity; defaults, such as chips and blisters, that could affect tightness.

Step 5: Packing

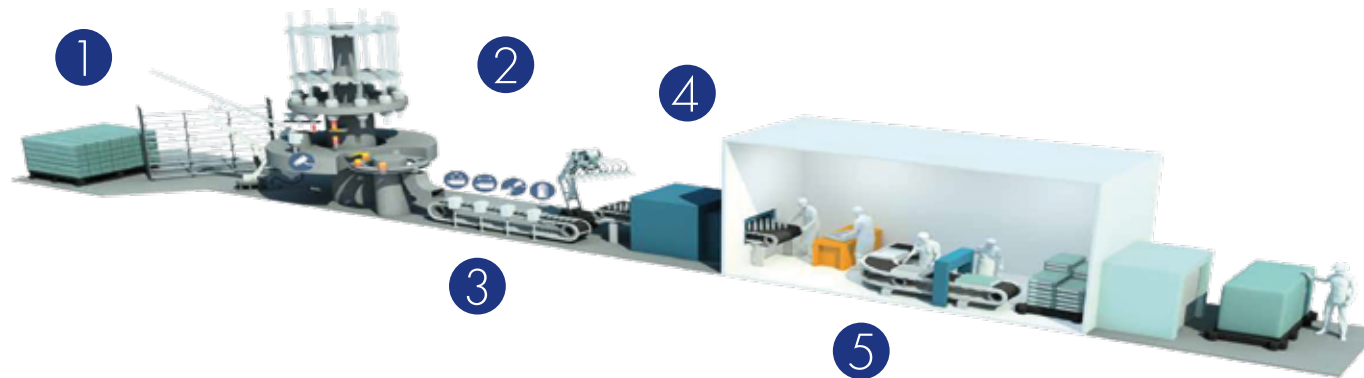
Before packing, all vials and bottles are turned upside down and blown in the clean room to minimize risk of the presence of loose particles. Shrink-wrapped pads are formed inside the clean room for maximum cleanliness. Automated palletization offers consistency and eliminates the need for human manipulation of the vials.

Step 6: Release

Each label contains critical data for complete traceability. Batch release is based on manufacturing track records and QC results. SGD Pharma systematically issues compliance certificates with each delivery.

OUR PRODUCTION PROCESS FOR TUBULAR GLASS

With more than 100 years of know-how inherited from Saint-Gobain, SGD Pharma is a world-renowned technical referee in the glass packaging space.



Step 1: Tube Feeding

The raw material are glass tubes supplied from renowned manufacturers like Schott and NEG.

Clear or amber, the tubes are made of neutral borosilicate glass (5.0 expansion family) with high degree of Hydrolytic Resistance. Tubes are loaded by a robot on a rotative machine.

Step 2: Forming

The tubes are heated, shaped and cut to give the dimensional parameter in 3 main steps:

- Shoulders and neck forming
(including 100% on-line dimensional inspection)
- Tubes parting: heating and cutting to set vial height
- Bottom glazing: heating, glazing and cooling.

Step 3: After forming

Vials are cooled down and blown with filtered air.

100% on-line inspections of:

- Total length and bottom concavity by electromechanical gauge
- Internal neck diameter by camera.

Step 4: Annealing

Vials are individually picked and placed on the conveyor belt of the annealing lehr with no glass contact.

Perfect annealing to release residual stresses through a monitored thermal cycle.

Step 5: Final inspection and packing

Final inspections under clean room conditions.

Optional cosmetic inspection by off-line camera.

Vials are packed in shrink-wrapped PP trays or in cleanpacks and then palletized.

GLOBAL FOOTPRINT

Use the knowledge and strength of our worldwide network of 90 partners and distributors to your advantage



GLOSSARY

UN Global Compact

The United Nations Global Compact: is a voluntary initiative based on CEO commitments to implement universal sustainability principles.

CDP

The CDP (formerly the Carbon Disclosure Project) is an organization which supports companies and cities in disclosing the environmental impact of major corporations. It mainly focuses on disclosures for climate change as well as water, forests and the supply chain.

EcoVadis

Ratings platform to assess corporate social responsibility and sustainable procurement.

GHGs

Greenhouse Gases (abbreviated GHGs) are gases that absorb and emit radiant energy within the thermal infrared range. GHGs contribute to the greenhouse effect and lead to global warming.

Scope 1 emissions

Scope 1 GHG emissions are direct emissions from sources that are owned or controlled by the company. It includes on-site fossil fuel emissions, process emissions and fleet fuel consumption (non exhaustive).

Scope 2 emissions

Scope 2 GHG emissions are indirect emissions from sources that are owned or controlled by the company. It includes emissions that result from the generation of electricity, heat, or steam purchased by the company from an utility provider.

CO₂ eq

The «CO₂ equivalent» (CO₂ eq) is a unit for comparing the impacts of different GHGs in terms of global warming.

Scope 3 emissions

Scope 3 GHG emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

SA 8000 certification

Social Accountability. SA 8000 is an international certification standard that encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

ISO 14001 certification

ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.

ISO 45001 certification

ISO 45001 is an international standard that specifies requirements for an occupational health and safety (OH&S) management system, with guidance for its use, to enable an organization to proactively improve its OH&S performance in preventing injury and ill-health.

ISO 50001 certification

ISO 50001 is an international standard that specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security, energy use and consumption.

Conflict minerals

Conflict minerals are resources that are mined and used to influence and finance armed conflict, human rights abuses, and violence.



www.sgd-pharma.com



@SGD Pharma



@SGDPharma



SGD Pharma



SGD Pharma



SGD Pharma

CONTACT POINT

For any questions regarding this report, please contact:

LAURENT MILLET

CSR & Quality Director
laurent.millet@sgdgroup.com

OPHÉLIE PUISSANT

CSR coordinator
ophelie.puissant@sgdgroup.com

Editor - SGD S.A. - SAS au capital de 44 081 866 euros - R.C.S. Nanterre B 552 012 585

Headquarters - Tour CB16 - 17 place des Reflets - CS 30300 - 92097 Paris La Défense Cedex - Tél: +33 (0)1 40 90 36 00

Version May 2022 - Artwork: @Agence Bis'Art