

SUSTAINABILITY **REPORT 2022**

OLIVIER ROUSSEAU

CHIEF EXECUTIVE OFFICER



EDITORIAL

As a leading supplier of primary pharma packaging, SGD Pharma sees an increasing demand for more sustainable solutions from our customers, and we work with them to reduce their own carbon footprint by switching to our innovative glass packaging options.

I joined SGD Pharma in mid-2022 with a clear goal to accelerate our CSR development by investing in each of the pillars of our strategy. At SGD Pharma, we are committed to conducting our business in a sustainable and ethical manner. Our top priority is to accelerate the decarbonization of the products we deliver to our customers. To do so, we work on the entire value chain and engage with all stakeholders in that supply chain - suppliers, employees, customers, local and global communities, our board of directors, our investors, and our CSR committee. SGD Pharma is engaged with them all and aims to become a leader in the decarbonization of the pharma glass industry.

To achieve this, we reviewed our CSR strategy and built a robust decarbonization roadmap. We set ambitious objectives and we will use the opportunities of furnace reconstructions being undertaken across our global manufacturing sites to reduce energy consumption and to increase the usage of low carbon energy.

We made great progress in this area during 2022 when we had our first third-party validation of our Scope 1 and 2* carried out by KPMG. In total, 3 of our plants were certified ISO 50001 (at the beginning of 2023 our fourth plant has since been certified with ISO 50001). We finalized a number of projects to reduce our carbon footprint and water consumption across all geographies.

We also made progress on our social responsibility, with more than 3000 of our employees in France, Germany, Spain, Italy, Brazil, USA, India, and China working to provide high-quality safe glass packaging worldwide. Our factory in China has been certified SA 8000. This is a great achievement, and is only the start, as we have already planned on getting certifications for our other global manufacturing plants as well.

In 2022, SGD Pharma also showed its support of the UN Global Compact, for the fourth year. Since 2020, our CSR strategy has been aligned to the 10 principles of both the Global Compact and the United Nations' (UN) Sustainable Goals and in 2022, we took this one step further by sponsoring the UN's International Year of Glass initiative.

Overall, 2022 was a difficult year for SGD Pharma. Despite sales volumes recovering in part after the Covid-19 pandemic, the war in Ukraine impacted our energy and raw materials costs and the disruptions in supply chains across the globe also hit us hard. Like many manufacturers, we had no choice but to increase prices to our customers, however we limited the impact as much as we could by sharing with them the benefits of our energy hedging strategy. Unfortunately, this was not sufficient to cover all our cost increases given the high inflation that was experienced.

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

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

*Scope 1 covers emissions from sources that an organization owns or controls directly – for example from burning fuel in our fleet of vehicles (if they're not electrically-powered). Scope 2 are emissions that a company causes indirectly when the energy it purchases, and uses, is produced. For example, for our electric fleet vehicles the emissions from the generation of the electricity they're powered by would fall into this category (source: <https://www.nationalgrid.com/stories/energy-explained/what-are-scope-1-2-3-carbon-emissions>).

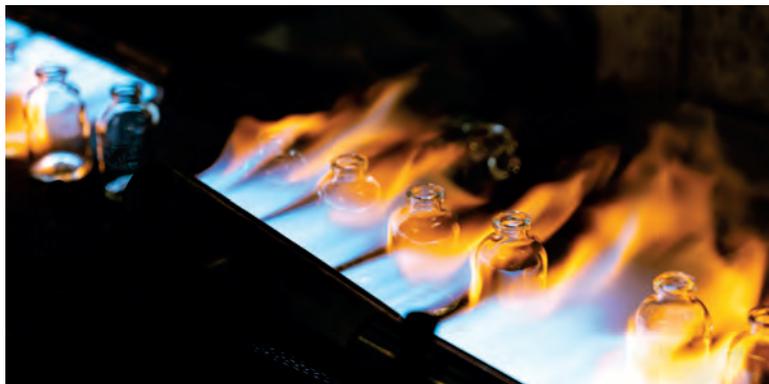


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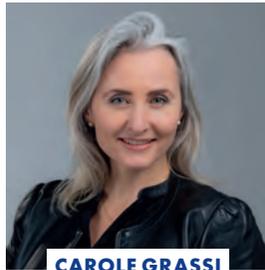
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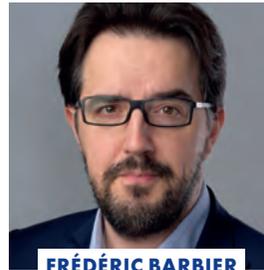
IS UNDER THE SUPERVISION OF THE CHIEF EXECUTIVE OFFICER

And is shared and deployed by the
EXECUTIVE COMMITTEE



CAROLE GRASSI

Chief innovation
and development officer



FRÉDÉRIC BARBIER

General Manager
China / Asia-Pacific



PIERRE-MICHEL BATAILLARD

Chief Human
Resources Officer



AKSHAY SARDAR SINGH

General Manager India



JÉRÔME BRASSENS

Chief Financial Officer



LAURENT ZUBER

Chief Commercial Officer
& General Manager West
World



CAROLINE FUNCK

Group Legal Director



CHRISTOPHE MUGUET

Chief Operating Officer

CSR DIRECTOR

Reports CSR performance
directly to the COO



DIRECTORS AND MANAGERS

Integration of CSR principles
within the company's various departments

CSR NETWORK

Networks of CSR correspondents
at each manufacturing site

OUR BUSINESS MODEL

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

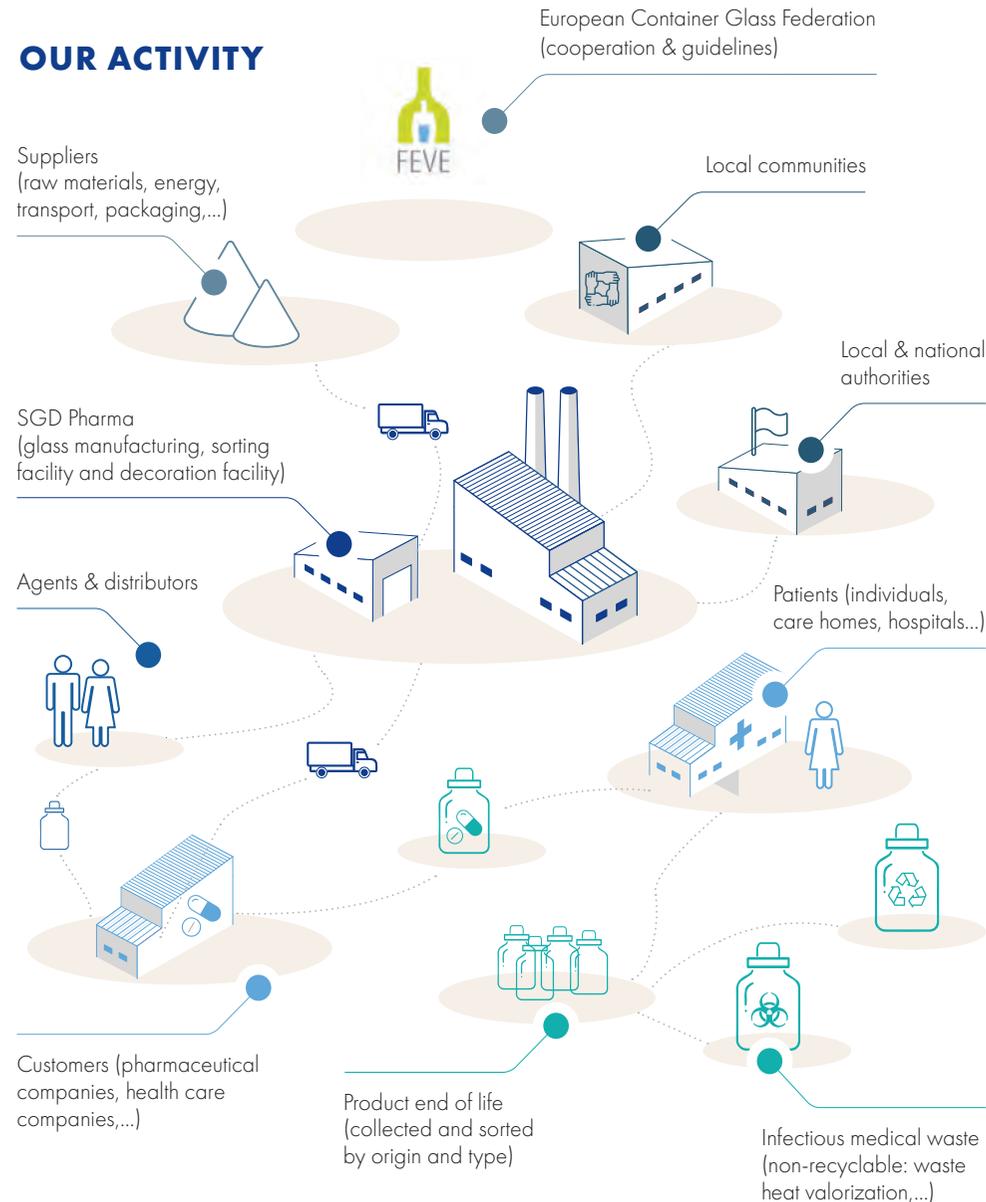
Our employees make our success

- Over 3100 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
 - 3 sites ISO 50001 certified
- (at the beginning of 2023 our fourth plant has since been certified with ISO 50001)
- 7 furnaces
 - 1 sorting facility
 - 1 decoration facility
 - 10 sales offices around the world
 - 90 agents and distributors

OUR ACTIVITY



VALUE CREATED

Healthy financial results

- 2022 consolidated sales €415M

Our pharmaceutical products

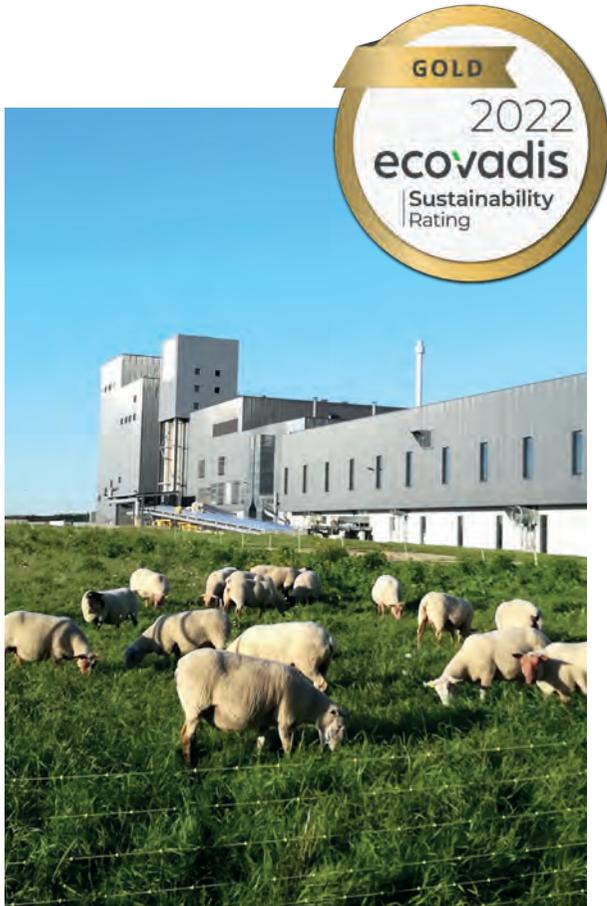
- More than **3 billion** vials are manufactured and sold per year
- Our product applications cover all types of medical pathology

Shared growth

- **For our employees**
25,8 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 2022 CDP CLIMATE RATING



ECOVADIS

In 2022 SGD Pharma was again awarded the Gold medal, with a score of 75 out of 100, breaking our previous record with the highest score the company has ever achieved.

EcoVadis is the internationally recognized sustainability ratings provider, evaluating over 90,000 companies globally across a range of different industries.

According to EcoVadis' detailed feedback, SGD Pharma is in the top 2% of companies rated in the 'Manufacture of glass and glass products' industry. Also, our purchasing department was evaluated by EcoVadis, scoring in the top 1%, thanks to our effective sustainability initiatives.

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.

The assessment is focused on four topics in which we gained the following scores:

- Environment: 70/100
- Labor & human rights: 80/100
- Ethics: 70/100
- Sustainable procurement: 80/100

We are honored to secure this result in 2022 and we believe that, thanks to our continuing initiatives, our score next year will improve further.



CDP CLIMATE CHANGE AND WATER SECURITY

SGD 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 that scores companies based on their environmental impact.

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



LAURENT

GROUP QUALITY & CSR DIRECTOR

2022 has been SGD Pharma's first full year with new shareholder PAI Partners. We are pleased to have a partner with a shared keen interest in CSR issues. PAI Partners holds a detailed database containing more than 200 KPIs and ESG (environmental, social and governance) data from each of the companies they invest and work with.

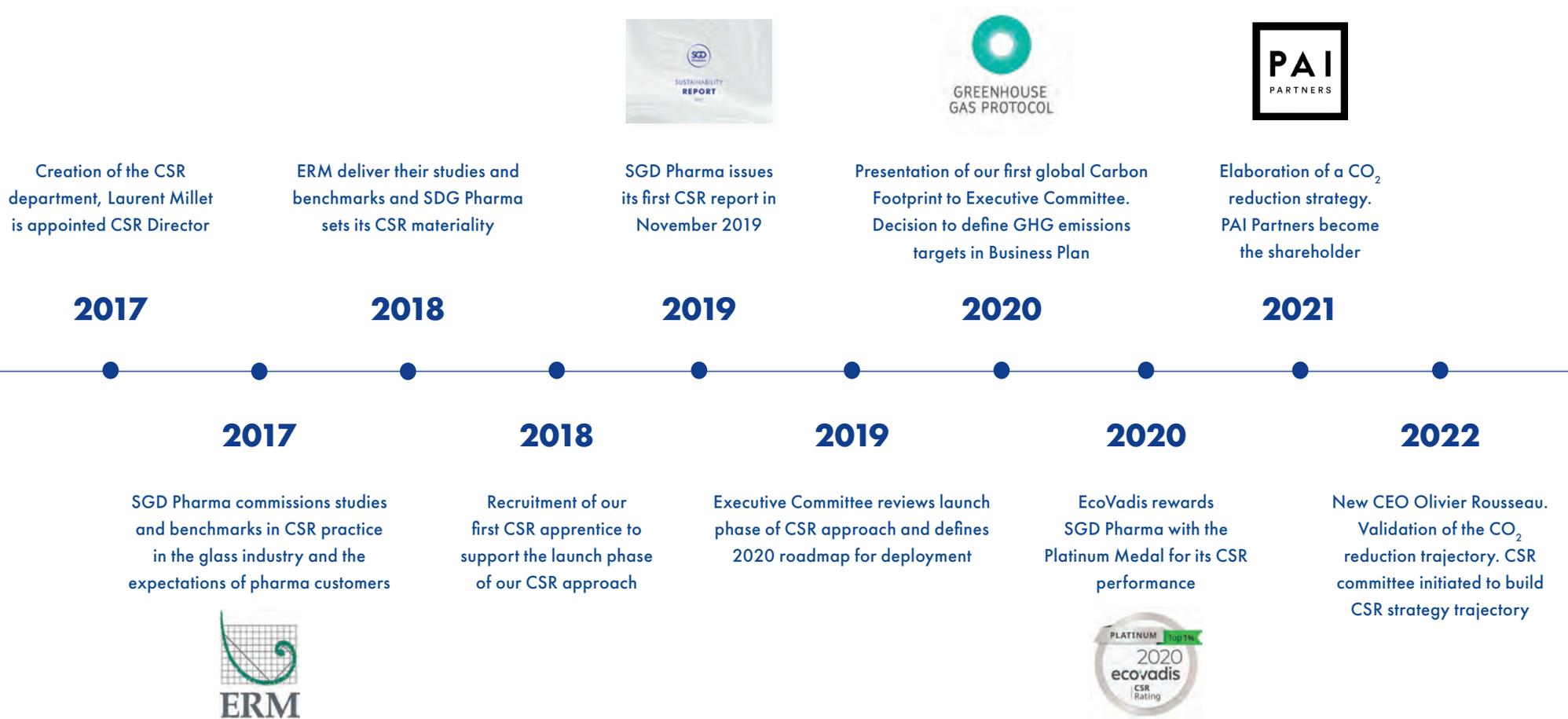
Our 2022 gold assessment from Ecovadis recognized significant improvements in the areas of social/human rights and sustainable supply chains.

Our CDP climate assessment has shown an improvement year-on-year to B from C level. CDP acknowledges B level as showing "good environmental management" (recognizing our CO₂ footprint and energy consumption reporting).

Furthermore, our customers' requirements in CSR performance increased by 50% in 2022. Customers' main interests currently focus on four areas: anti-corruption and ethics, climate change impact and CO₂ reduction, energy consumption, and life cycle assessment. Some of them include a chapter on CSR in their business review and we are glad to be considered a robust partner in their CSR initiatives. In response to this customer's feedback, our action plan in place for 2023 directly targets these topics.

CSR MANAGEMENT AT SGD PHARMA AND OUR STEPS FROM THE OUTSET

Five years ago, in 2018, we launched the first phase of our CSR approach. We encapsulated 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 aspires to be a company that can grow its business while contributing to the sustainable development of society. We understand the importance of appropriate disclosure and communication with our stakeholders, so we have created a report detailing our CSR efforts, progress and areas of improvement.

We have always supported sustainable actions and have been consistently compliant with all environmental, social, and ethical requirements applicable to our operations.

The key pillars reflecting our approach, each underpinned by our core purpose and values, have been in place since 2018, 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, a process that enables a business to identify their most important areas of focus so they can be highlighted as a priority, as well as understanding which are of most concern to stakeholders and how they impact the business model (and vice versa).

Our CSR approach is based on these three pillars: “Our people”, “Our business values” and “Our environmental aspects”. We aim to achieve sustainable improvements in enterprise value while following a clear roadmap for action in all areas outlined:



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 2022

ACTIONS	IMPLEMENTATION
Renewal of Global Compact	Q1
Presentation of CO ₂ strategy	Q1
Biodiversity actions, with Chinese site as pilot plant	Q1
CO ₂ emissions Scope 1 & 2 external validation (KPMG)	Q2
First raw estimates of Scope 3* CO ₂ emissions in all categories	Q2
Release of CSR report	Q2
Purchasing department training on topics identified by EcoVadis	Q2
EcoVadis Assessment	Q3
Update of CSR procedure and training	Q3
CDP assessments (climate & water)	Q3
Written draft of CSR policy	Q4
CO ₂ emissions Scope 3* calculation on materiality category	Q4
5-year CO ₂ transition plan	Q4
Respond to customer requests	All year
Study possibilities of setting circular economy	All year

*Scope 3 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. (source: GHG Protocol Corporate Standards)

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.

CSR PILLAR	MATERIAL TOPICS	RISKS ASSOCIATED
 <p>OUR PEOPLE</p>	Health & Safety	Employees can be exposed to accidental events during our industrial processes. Our top priority is to ensure their health and safety by identifying these risks and putting actions in place to prevent them. (more details p. 24)
	Career Management & Training	Identifying, attracting, developing and retaining talent is crucial for our success and prosperity. (more details p. 15)
	Social Dialogue & Diversity	We must ensure that we provide a workplace free of harassment and discrimination to create a safe atmosphere for all employees. (more details p. 18)
 <p>OUR BUSINESS VALUES</p>	Quality of Service & Competitiveness	We know that our products can be used for life-saving treatments, therefore it is critical that production remains of the highest quality and minimizes defects. (more details p. 32)
	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. (more details p. 40)
	Sustainable Procurement	The way our suppliers conduct business is also important to us and we carefully choose who to partner with based on their quality, reliability and values. (more details p. 44)
 <p>OUR ENVIRONMENTAL ASPECTS</p>	Energy Consumption & Greenhouse Gas Emissions	We must ensure we invest in the best technologies available in order to mitigate our energy consumption and minimize our CO ₂ emissions at all our sites. (more details p. 60)
	Climate Change Adaptation	We need to adapt to potential risks for our activity generated by climate change. (more details p. 54)
	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. (more details p. 63)
	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. (more details p. 67)

HIGHLIGHTS

SDG Pharma's CO₂ Reduction Strategy. The Group agreed a detailed CO₂ emissions reduction plan for the next 5 years (2023-2028). This plan with fixed targets and actions needed to become a leading company in decarbonization in the glass industry.

ISO 50001 certification. ISO 50001 is a standard for the design, implementation and maintainance of an energy management system. SGD Pharma's Zhanjiang Plant obtained ISO 50001:2018 International Energy Management System Certification from SGS in February 2022. This achievement shows our company's commitment to sustainable development and our ongoing efforts to create a better environment and future.

New CEO. Olivier Rousseau has joined SGD Pharma in 2022. One of his decisions was to get CSR monitored at the same level as business strategy & financial performance.

1000 mangroves trees were planted in association with Zhanjiang Nature and Resource Bureau and Guangdong Ocean University near our China plant. We are proud to start our first project and contribute to biodiversity and we hope to continue this by undertaking similar projects at our other manufacturing plants.



Water consumption relative to production:

More than **20% reduction** in comparison with 2020

More than **40% reduction** in comparison with 2018



0.74

Mt CO₂eq per tons of glass (-2,3% compared to 2021)



3/6

ISO 50001 certification



35%

of employees are women



22%

of top management are women



78.7%

Waste recycling rate (+2.7% compared to 2021)



25.8

Average training hours per employee



2.78

FR1 index for the group (-15% compared to 2021)



10

Average hours of safety training per employee

1. OUR PEOPLE

As an industrial company, our top 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 pharmaceutical industry, we must also make sure every employee is aware of our role in delivering drug products to patients. Therefore, our employees' skills and their behavior is important in developing pharma competencies and the pharma mindset. Supporting our people in their development is at the heart of our daily actions, as it allows us to support the business better with the right competencies, offer attractive careers and prepare the company for the future.



MAIN KPIS

3199
TOTAL EMPLOYEES IN SGD PHARMA

177
NEW JOBS CREATED

82 406
HOURS OF TRAINING

100%
OF EMPLOYEES TRAINED

22%
OF THE EXECUTIVE COMMITTEE
ARE WOMEN

35%
OF SGD PHARMA EMPLOYEES ARE WOMEN

2.78
FR1* INDEX FOR THE GROUP

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



PIERRE-MICHEL

HUMAN RESOURCES DIRECTOR

Because both 2020 and 2021 were heavily impacted by the Covid-19 pandemic, which also strongly impacted our organization – e.g., training activities were severely handicapped by lockdowns and social distancing. 2022 has therefore been a transition year to recover these activities during which we have focused on 3 main priorities:

- **People development:** we have stabilized the volume of traditional training with more than 82 406 hours delivered during the year, i.e., an average of 25.8 hours per employee. We have also developed our digital learning platform, now amounting to more than 100 modules and 25 training paths available. In France, we have also initiated the renegotiation of an important agreement related to development and career management.
- **Work-life quality, diversity, and inclusion:** we launched the redesign and renegotiation of two important agreements covering work-life quality, and diversity and inclusion.
- **The workplace:** in our various offices in the world, we have kept and fine-tuned the operating modes developed under Covid, to offer more flexibility and variety to our employees in the way we organize work. At our headquarters in Paris, we moved to new offices offering improved features and services for organizing work and cooperation.

SGD PHARMA'S 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.



*Development Plan : the DP contains training and other development actions for each employee.

CAREER MANAGEMENT & TRAINING

Our employees are a valuable asset to SGD Pharma. They enable us to achieve our goals. We appreciate every staff member at our company highly, and we also remain open to new talent. We encourage every staff member to contribute actively to what is already a well-functioning system.

HONORING LONG-TERM EMPLOYEES

SGD Pharma is honored to boast a number of employees who have been loyal employees with the company for many years. In 2022, to show our respect and appreciation, our site in Kipfenberg, Germany, organized an event to recognize 22 people for their long careers with the company (more than 10 years). Special recognition was given to Gerhard Kraus who has worked with the company for 45 years.

TALENT ATTRACTION AND RETENTION

Maintaining an attractive offering to the market, using appropriate recruitment channels, and retaining personnel is critical in today's competitive working environment.

We have been cooperating with several educational institutions long-term:

- 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



THE SGD PHARMA ASIA-PACIFIC ACADEMY

Our cooperation led us to develop our own training program in SGD Pharma Asia-Pacific where we welcome students from local universities to join us for 6 months to learn more about the pharmaceutical and beauty primary packaging industries. After the internship, some of them have the chance to become a part of our team full-time.



WELFARE

SGD Pharma Asia-Pacific has set up annual and monthly bonuses for staff. They are linked with company performance and seniority, consisting of three-star employee bonuses, quarterly star staff bonuses, seniority allowances, etc. This gives an additional motivation for our staff to grow and advance their career with the company.

APPRENTICESHIP FAIR

We realize the possible difficulties young people may have to find a career that they can enjoy. That is why we actively participate in apprenticeship fairs to inform the younger generation about the variety of professions they can find at SGD Pharma. One of these was held in Denkendorf (Germany), where students from Denkendorf and the Beilngries secondary schools had a chance to learn about four of the professions we offer training for.

MANAGEMENT TRAINING

In France, we further developed our 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.

WELLBEING AT WORK AND RECOGNITION

Every day more than 3000 people worldwide participate in the development of SGD Pharma. To show our respect and recognition we encourage our sites to organize events for our employees to boost morale and encourage team building.

SPORTS EVENTS

Health is one of the key priorities at SGD Pharma. That is why we support our employees taking part in sports events, to enable them to get to know each other better and have fun while enjoying physical activity that is good for their wellbeing.

At the beginning of 2022, our Guangzhou Sales Team organized the first company badminton competition. The moto of the event was "Friendship first, competition second".



BIRTHDAY AND HOLIDAYS CELEBRATIONS

We believe that SGD Pharma is a big family. Our plant in India celebrates the birthdays of all employees falling each month, across the whole team. It is a nice way to say thank you one more time to those who move our company forward.



SGD Pharma Asia-Pacific also sets a good example of how they create common memories. In June 2022, our Chinese plant decided to distribute some benefits to celebrate the Dragon Boat Festival. This is a traditional Chinese holiday which occurs on the fifth day of the fifth month of the Chinese calendar. It was a great opportunity to thank the staff for their hard work.



SOCIAL DIALOGUE & DIVERSITY

For us, social dialogue is a commitment to society, 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, social dialogue is organized at location, company and Group levels through the appropriate works councils, gathering representatives of the management and the employees for a very regular exchange. In 2022, we signed two agreements on salary review and profit sharing. With the relocation of our headquarters, we also set-up a 'work-from-home' policy, which will be adapted for our other premises in future.

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 the right to collective bargaining. Workers also have a Union Organization whereby 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.

CORINNE

HR MANAGER HQ & EMBELIA



Companies are responsible towards many actors: shareholders, employees and customers, end users of their products, and now towards the environment. Corporate Social Responsibilities, when they are thought of as a whole, oblige companies to be responsible on all major issues. In HR for example, the fact that the company is environmentally responsible will have a direct impact on the social pillar, making its brand more popular and stronger. Employees also expect their work to be meaningful and to meet their individual expectations, and for their professional development to be organized until they retire.

A good CSR strategy answers this set of questions: ensuring strong values that allow SGD Pharma to be an employer that is attractive, that gives a positive and modern image of the glass industry and that answers these societal questions by enabling social progress. It is no longer possible to evolve without considering CSR issues. In my opinion, it is a question of survival, and not only a way to be more attractive. We need to get on board with both our environmental and social responsibilities quickly. Strong HR values make me proud to be a part of SGD Pharma. Some examples from 2022 include:

- Bringing forward the negotiation of salaries in September 2022, 6 months before the usual deadline, showing a willingness to address some of the employees' concerns, offering a package responding to inflation while 2021 results were not very strong.
- We will sign in 2023 a group agreements which carry strong values and social advances in terms of professional equality between men and women, disability, quality of life at work and professional development.
- Organization of the Safety Week with a strong theme in 2022 of "accident awareness: it doesn't just happen to others", for which our employees have been willing to share magnificent and moving testimonies.

CSR measures are universal and must be carried out at group level, they must be extended and better known to enable the Head Office and Corporate to extend measures and values to the whole group. Actions should be developed for only a single site or Business unit, but made common to all.



DIVERSITY

SGD Pharma is an international and multicultural company with less than a third of its headcount based 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 behavior. We also have a whistle-blowing procedure available worldwide to address any potential issue in this domain.

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 2022, we had 59 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 around 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.

Gender Equity

Gender equality is a crucial topic in the corporate and manufacturing world and at SGD Pharma we share these values. We believe that it is possible to overcome the hurdle by pushing for gender equity, including in our production facilities. To this end, at the end of 2022, 35% of our global employees were women.

In January 2022, SGD Pharma India conducted a training session for female employees from different departments. The training covered many subjects including how to handle and report an uncomfortable situation. For the Group it is highly important to inform our female staff about combatting sexual harassment in the workplace, compliance procedure, hygienic working conditions and jewelry policy implementation.



To celebrate International Women's Day on the 8th of March 2022, SGD Pharma India organized a special event for women to highlight their strength, empowerment, and independence. Firstly a social media campaign was created to remind all the staff about the achievements of female employees Worldwide. Secondly, there was a special lunch and award ceremony for female employees who have worked with the Group for over 10 years.

We asked some of our female employees to tell us what it's like to pursue a profession in a heavy industry where the ratio of women is still unequal to men.

INTERVIEW



NINGHONG

MANAGER OF MOLD DEPARTMENT

I have always been interested in hard sciences and that is why I chose a technical job. I appreciate my job for the feeling of fulfillment I have when I finish developing a new product. I like that I can concentrate on mold design work for new product development, I can do all kinds of experimentation, and I can accumulate a lot of experience from it. It is great to go from the idea to its realization and I'm glad to see the results of my work.

Currently I have been working at SGD Pharma for 32 years as Manager of Mold Department in the plant in Zhanjiang, China. The Group gives many varied opportunities to people who like hard sciences and wish to have a technical job. Throughout my career I have never experienced any sort of discrimination but in fact the opposite: the company always supports any innovative ideas.



NATHALIE

QUALITY ASSURANCE AND
REGULATORY AFFAIRS GROUP MANAGER

I have always been interested in science and healthcare and for 20+ years I've been working in a quality function. My job covers a huge diversity of activities which contribute to the company's performance and to customer satisfaction. My role combines technical aspects with leadership and interpersonal interactions, as I collaborate with almost every function across all locations within the company.

To those who would like to have a career in Quality I would say that you will have to work hard to be continuously learning. It will allow you to develop yourself and grow on both professional and personal levels. This is an amazing and challenging journey.

I very much appreciate working within SGD Pharma: I feel proud to belong to this team of passionate and talented people, and I feel aligned with the company's values. At SGD Pharma we care about people, we respect all our stakeholders, and we are committed to ethical conduct.



AKSHAY

GENERAL MANAGER INDIA

At SGD Pharma India, we found that 2022 was a recovery year from the COVID-19 pandemic therefore, as a result the productivity at our site has improved greatly compared with 2021.

We also focused more on environmental aspects like the reduction of our emissions, for which we implemented a rooftop Solar Project which gives approx. 1200 MWh of green power.

There were various initiatives also taken for the local communities. One of them was the distribution of bicycles to students from local schools. SGD Pharma India works towards contributing to the welfare and wellbeing of its employees as well as locals and promotes engagement of staff in these activities.

We believe that Corporate Social Responsibility is an important aspect of every modern business. SGD Pharma India has been implementing sustainable initiatives since 2013 and there is still a long way to go to reach the goals.

Our main priorities are reduction of carbon emissions, reduction of waste and water consumption and increasing energy efficiency.

From the social perspective we aim to achieve an environment of equal opportunity by increasing the percentage of female employees in the plant and creating a favorable working place for everyone.

HEALTH AND SAFETY OUR MAIN RESULTS

FRI* RESULT - 2.78
(-15% COMPARED TO 2021)

AVERAGE HOURS OF SAFETY TRAINING
PER YEAR PER EMPLOYEE - **9.9**
LTA + NLTA - 32**

ISO 45001 CERTIFIED PLANTS
5/6 (100% OF GLASS PLANTS)

87% (BEGINNING OF 2023: 93%)
OF OUR PLANTS ARE CERTIFIED WITH EHS
CERTIFICATES (ISO 45001, 14001, 50001)

The Group's objective of certifying all five plants to the two ISO 14001 and ISO 45001 standards has been achieved.

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

** LTA – Lost Time Accidents, NLTA – Non-Lost Time Accidents



EHS MATURITY MATRIX

86%
(+4.9% COMPARATIVE TO 2021)

It is a company-wide imperative 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 at work.

During 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.

One of SGD Pharma's key priorities is the health and safety of our employees. Every year the Group organizes various events and implements new initiatives with the aim of the lowest number of incidents at work.

In 2022 our EHS team closed 2278 actions, in the aim of reaching our goal. SGD Pharma deployed an internal tool to support this activity, the "EHS maturity Matrix".

Each plant is audited and scored annually against the Group's 50 requirements based on their requirements, and progress is monitored against the 2022 action plan. The Global EHS maturity matrix score improved from 81.1% in 2021 to >86% in 2022 (up from a score of 67% in 2019).

We continued to deploy our SGD Pharma TOP 20-25 Operation Excellence initiative to promote employee engagement in the areas of safety and quality, using strong performance control systems and assessing 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. Health and safety are our core values. They come before any other consideration in the way we conduct business. Our most important goal is to have **zero accidents** and **zero occupational illnesses**.

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, commitment, and proactive engagement with one another.

Rule Engagement

- Line managers demonstrate their leadership in safety through goal-setting, 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 wherever they occur. Everyone is 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 its own site-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 2022 HEALTH & SAFETY ACTIONS



In 2022, SGD Pharma in China carried out 15,755 instances of various occupational health and safety training for new and in-service employees, with a total of 12,723 training hours, or 12.9 training hours per head.

Our company has formulated 10 plans for annual drills (covering fire evacuation, furnace leakage, power failure, typhoon, and rainstorm, etc.). Of these, 8 plans have been completed to date and carried out according to the schedule.

SGD Pharma in China has invested more than 5 Million RMB in occupational health and safety improvements.

Our company has inspected, improved, and added 28 safety protection devices (emergency stop buttons, safety gratings, etc.), as well as completed the installation of lean pipes and cross line transmission chains for 6 production lines, and replaced manual handling with semi-automatic products, reducing labor intensity.

The establishment of an electroacoustic room helped the site in China to carry out hearing checkups for employees in order to monitor their auditory health and take any supportive measures.

EMERGENCY SAFETY AND ENVIRONMENTAL DRILLS

During 2022 we particularly focused on managing emergency situations, with close to 72 tests organized across all sites.

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

To train employees to react fast in situations of emergency or disasters, SGD Pharma organizes mock drills. During these drills, staff are immersed in a fictional situation where they have to practice their first aid skills in mock environments.

2022 SAFETY WEEK

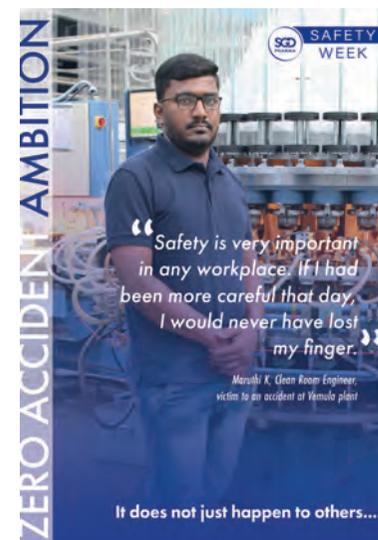
June is a special month for SGD Pharma. Every year our HSE, HR and communication teams work in collaboration to organize a special event dedicated to the safety of our employees. We call it the Safety Week, and during this week our staff take part in various events.

SGD Pharma India had several events promoting safety during the year. The first was National Safety Day on March 4th 2022 initiated by the National Safety Council to increase awareness of the guidelines concerning safety measures. Then, in June, there was the celebration of Electrical Week. The team celebrated National Electrical Safety Week by running a campaign aimed at promoting a participative approach and renewing employees' commitment to safe electrical use and working safely. Finally, in August 2022 our Indian site organized events as part of Global Safety Week, launching the Safety Poster, Essay, Risk Management Competition, Quiz, Pictionary, and the Marathon Competition. All these events were designed to reinforce the importance of safety in the workplace.

Safety Week at our plant in Zhanjiang, China, was one of the year's key events. There were various activities that helped inform our employees about the importance of safety measures at work. Informative and interactive, the week gave the team the opportunity to demonstrate their talents in artistic activities and to share informal opportunities for teambuilding. All our leaders and employees were involved in making this year's Safety Week a success, promoting "Safety first" to everyone.



Safety week isn't only celebrated in our plants but also at our headquarters in Paris, France. Safety is key to SGD Pharma, and we bring people from all over the world together to talk about its importance. This year's meeting was accompanied by several events that reinforced the topic. Our French team took part in activities aimed at reinforcing their knowledge about safety at work and were shown interviews with co-workers in our plants who had suffered accidents at work. Our aim is to keep our people engaged with safety, because it is the company's key priority.



ROAD SAFETY TRAINING

We recognize the importance of following safety measures not only within the plant and the office but also while transporting our products. This is why SGD Pharma India organizes road safety training. Safety in the workplace is instrumental in reviewing common hazards and safety techniques. By identifying and anticipating hazards, employers can help keep employees safe and prevent injuries.

EMPLOYEE HEALTH

Improved individual noise protection and communication systems have been deployed on some sites. Our Zhanjiang site is very active in promoting safety and the health of workers regarding noise. Every year all staff have an annual health check-up, a basic health screening to assess medical fitness and address any issues. SGD Pharma India also provides all permanent and contract workers with an annual health check-up. Actions to reduce exposure to noise have also been implemented in several of the factory's workshops.

Ergonomic studies and training sessions have also been conducted in several plants, such as exoskeleton tests at our Saint-Quentin-Lamotte plant.

NEW EHS FORKLIFT STANDARD

In 2022, SGD Pharma raised its EHS requirements for forklift use, including equipment and accessories. Each plant has a plan set out to comply with a new standard. In addition, Sucy-en-Brie plant replaced more than three quarters of its forklift fleet over the last few years.

MANAGING SAFETY DURING FURNACE REBUILD

(SAINT-QUENTIN-LAMOTTE AND VEMULA)

Furnace rebuild works are risky operations, so at both sites we focused strongly on safety. Employees held daily safety and accident prevention exercises and also managed external companies. Feedback from these operations helps improve managing such works in future.

2022 OCCUPATIONAL DISEASE PREVENTION AND CONTROL LAW

April 25 to May 1 2022 was the 20th Occupational Disease Prevention and Control publicity week. Chikan District Health Bureau and Zhanjiang Occupational Disease Prevention and Control Institute visited our company to carry out occupational disease prevention and control publicity activities. Our company actively organized the management team and safety captains to participate in this activity. The purpose was to ensure comprehension of the law on occupational disease prevention & control and improve awareness of the laws.



SUCY-EN-BRIE PLANT TRANSFORMATION PLAN 20-25

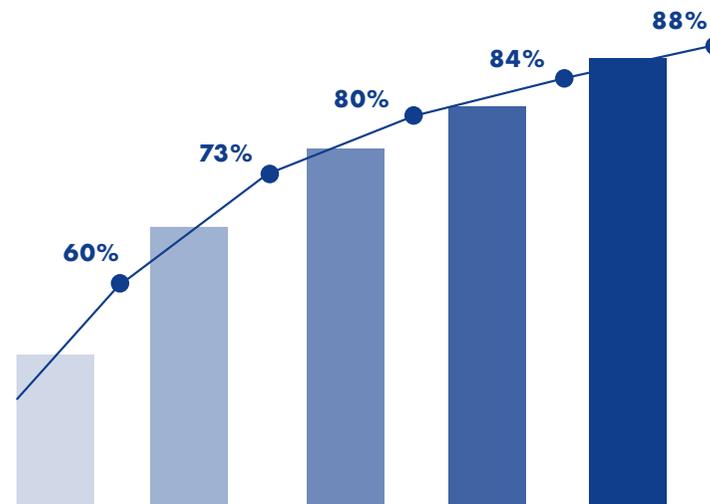
In 2022, EHS improvement actions were implemented, reducing risks as part of the first item in the plant transformation plan dedicated to safety.

MATURITY MATRIX RESULTS

2018	52%
2019	67%
2020	75%
2021	81%
2022	86%

The SGD Pharma EHS Maturity Matrix is an internal tool, in use 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, our EHS maturity scores have since been increasing with improvements year-on-year. Thus in 2022, we surpassed our stated goal of >84% for all sites, with a score of 86%.

EHS MATURITY MATRIX SCORES



IN 2023

OUR PEOPLE PRIORITIES WILL BE:

- Update of HR documents related to labor and union contracts
- Retention & attractivity action plan linked to risk management
- Development of Group Safety Standards and Group Safety E-learning
- Increase EHS maturity score to 88% through action plans for each site

2. OUR BUSINESS VALUES

We believe the way we conduct our business and build our relationships with all our stakeholders must be in line with the highest possible standards 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 is to share our commitment to the ten principles and promote them both internally and externally.



MAIN KPIS

0
NUMBER OF ALERTS REPORTED THROUGH WHISTLEBLOWING HOTLINES

0
NUMBER OF CONFIRMED INCIDENTS OR LEGAL ISSUES REPORTED

100%
OF CUSTOMERS ASSESSED THROUGH DOW JONES

10%
OF CRITICAL SUPPLIERS ASSESSED THROUGH DOW JONES

91%
OF TARGETED SUPPLIERS THAT HAVE BEEN ASSESSED VIA THE CSR QUESTIONNAIRE

100%
OF CRITICAL SUPPLIERS HAVING CSR CLAUSES IN THEIR CONTRACTS

90%
OF CRITICAL SUPPLIERS HAVE SIGNED OUR BUSINESS CODE OF CONDUCT AND ETHICS

39%
OF RISKY SUPPLIERS FOR WHICH CONFLICT MINERAL INFORMATION IS AVAILABLE



LAURENT

CHIEF COMMERCIAL OFFICER
& GENERAL MANAGER WEST WORLD

2022 has been a recovery year for our customers. The Group had been challenged but, at the same time, we saw new opportunities and good achievements.

I believe that business development cannot be achieved without CSR actions. Sustainability aligns with the demands we frequently receive from customers. Our clients care about the world we live in, and we are glad to fulfill their requirements. Corporate Social Responsibility has become one of the competitive drivers in the pharma industry. It also corresponds to our brand image, and we share that responsibility as a leader in pharmaceutical primary glass packaging.

It is no surprise that 2022 brought new challenges. Almost everyone was impacted by the energy crisis, and we succeeded in minimizing most increases in energy costs, and achieving the bare minimum of price increases that were necessary in the circumstances.

We're working on reducing our CO₂ emissions, given the urgency of the current global problem of climate change.



QUALITY OF SERVICE

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

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

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

- Operational Strategy (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, organization)

In 2022 the main areas of focus were:

1. Our maturity matrix model assessing quality management levels in our plants:

- ▶ We developed benchmark sessions to share best practices between plants
- ▶ After initial self-assessment by each plant quality manager in 2021 we started cross-audits allowing homogeneity in ratings across sites and facilitating benchmarking between them.

2. Pharma mindset e-learning module extension:

- ▶ We developed an e-learning module extension in-house in 2021. It was shared during 2022 with the EXCO team and with Group directors who all performed the training session, and has already been extended to all managers by the end of 2022. This training let us increase awareness of pharma industry needs and requirements.

3. Change control management:

- ▶ We developed a robust change control procedure in 2022 to track all changes and make sure they are associated with a risk assessment process: this has been successfully set up in all plants.

MATURITY MODEL TO ASSESS PLANT QUALITY LEVELS

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

- Operational Strategy (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, organization)

For each pillar, a description of several maturity levels allows quality managers to self-assess the status of the plant.

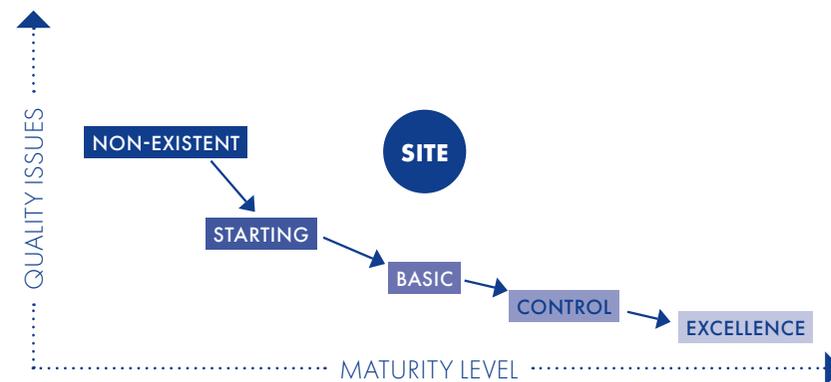
This leads to each plant identifying its global maturity level, its areas of strength and its opportunities for improvement.

This consolidation across all plants allows us to identify benchmarks and share best practice between them: all quality managers participate in this across the sites.

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

QUALITY MATURITY MATRIX

- 5 Maturity Levels:
- A description allowing the assessment of the current plant level
- A scale for a road map improvement of the plant Quality Management



MATURITY LEVEL

0. NON-EXISTENT

Requirement not provided for in the site policy and not planned for in the near future

1. STARTING

Requirement provided for in the site policy (ideas, intentions). Some punctual actions.

2. BASIC

Requirement deployed in a minority way on the site. Sporadic monitoring. Some first results.

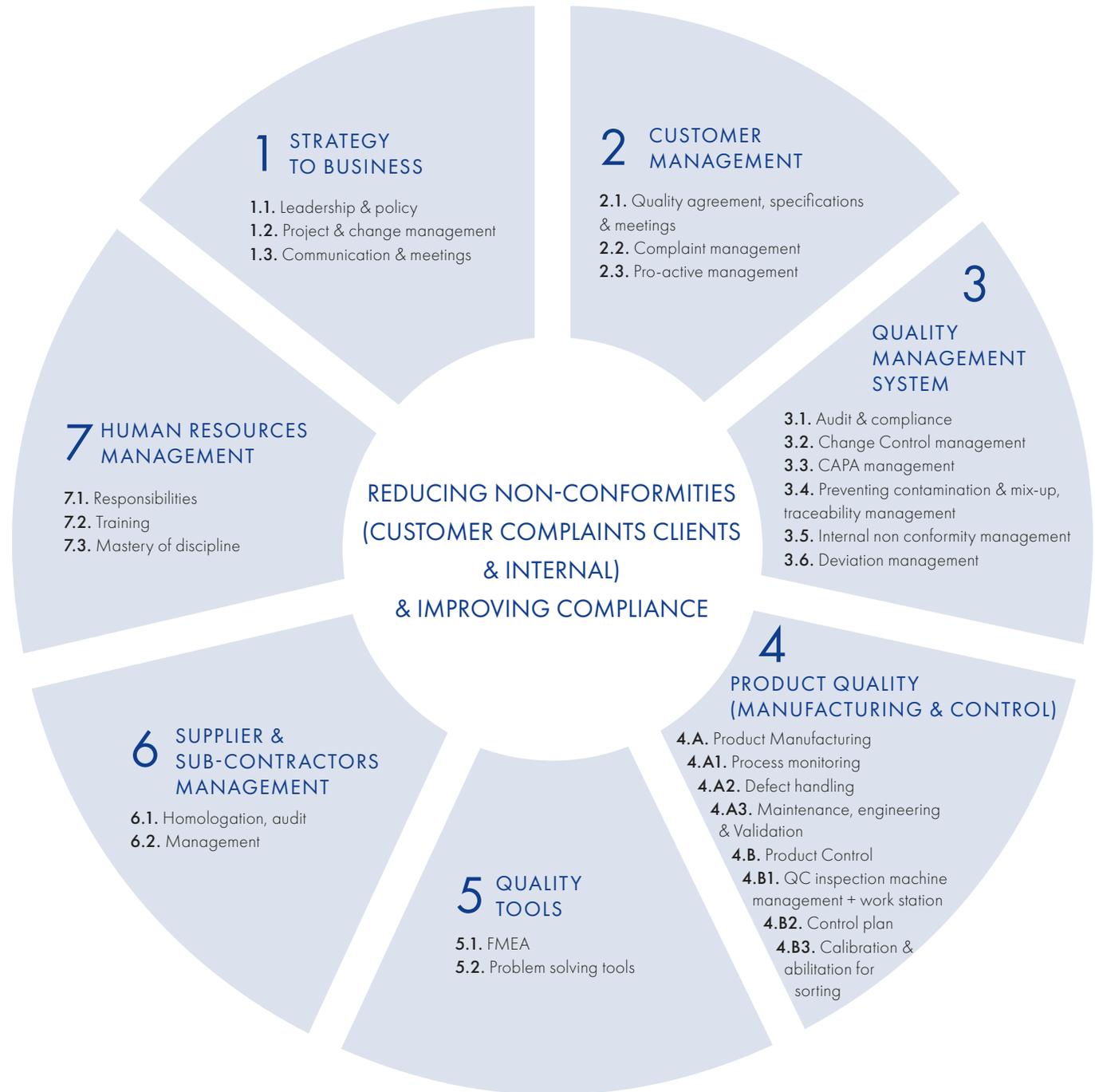
3. CONTROL

Requirement deployed on the majority of the site. Employees involved. Regular follow-up and evidence easy to obtain. Assigned objective not fully achieved.

4. EXCELLENCE

Requirement deployed throughout the site, it is "in the habit" of the staff that uses it. The level of maturity obtained can serve as a model and we can not make any more significant progress. It is a "Best Practice".

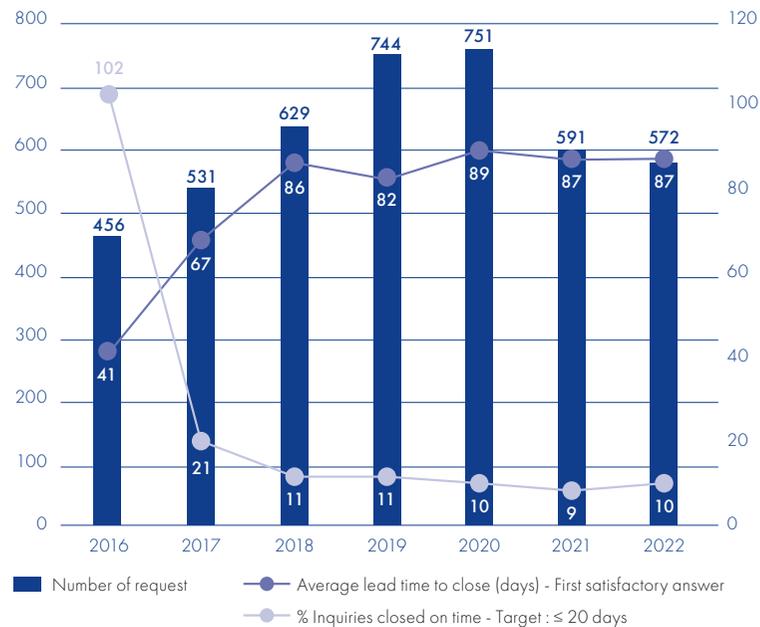
**MATURITY MATRIX:
THE 7 QUALITY PILLARS
AND THEIR SUB-PILLARS**



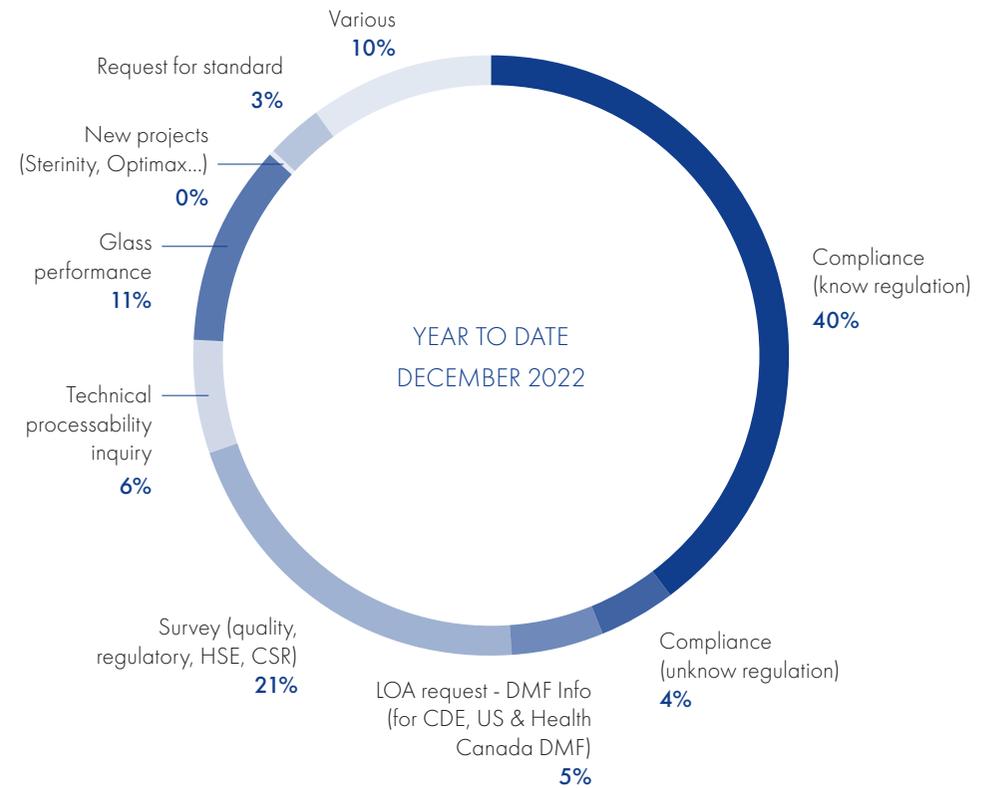
REGULATORY AFFAIRS ACTIVITY

For our pharma customers our regulatory affairs activity gathers the continuous update of regulatory dossiers together for all products (such as DMFs for the FDA and Health Canada, and CTA for CFDA). We track the efficiency of our answers to customers' requests against specific KPIs.

REGULATORY SUPPORT PROVIDED TO CUSTOMERS



CUSTOMER REQUESTS



SUPPLY CHAIN

Ensuring that products and services are safe to use is, for us, an important pre-condition for the development of a sustainable society. 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. A major project focus in 2022 was:

Launch of transport tracking tool

This tool allows us to track the maritime transport of our goods from our 3 European factories more effectively. It should help improve transportation standards for our products and contribute to better safety for our customers overall.



2022 RESULTS

QUALITY

DEFECTS DETECTED INTERNALLY: 1.9%

ISO 15378 CERTIFIED PLANTS: 100%

SUPPLY

OTIF 1: 97%

REGULATORY AFFAIRS

NUMBER OF REGULATORY INQUIRIES: 572

AVERAGE TIME (IN DAYS) TO CLOSE
A REGULATORY INQUIRY: 10



CAROLE

CHIEF INNOVATION AND DEVELOPMENT OFFICER

SGD Pharma has decreased energy usage and CO₂ emissions at each of its five global production facilities, as well as improved water, waste management, and resource efficiency. We are committed to continuing these reductions to improve our energy efficiency while helping to protect our customers, employees and partners with more sustainable choices.

In January 2023 we achieved a gold EcoVadis rating in recognition of our sustainability efforts achieving at least 70% in all areas of performance. SGD Pharma is in the top 1% of companies rated by EcoVadis in the manufacture of glass and glass products for sustainable procurement and in the top 2% for labor and human rights. In 2022, as part of their procurement processes 63 of our customers requested EcoVadis rating, up from 19 in 2021. Our key objective for upcoming years is to become the undisputed leader in sustainable pharmaceutical-grade glass manufacturing and reach our long term zero emissions strategy by 2050.

During 2022, SGD Pharma proudly sponsored the United Nations International Year of Glass opening ceremony in Geneva, which brought together pioneers from the glass packaging industry to share the latest insights about how glass can sustainably support the development of societies. We are delighted to continually support this cause, focusing on achieving several of the UN Sustainable Development Goals by 2030.

We know that CSR is important to our customers. Particularly, customers are keen to see the steps SGD Pharma is taking to reduce its impact on the environment, therefore we put sustainability at the center of our innovation and work to meet customer needs through environmentally friendly product development. For example, our new IDENCY vials have a 25% smaller carbon footprint than standard 10R (tubular) bottles, making them better for the environment.

Also, in the beauty and cosmetics industry, the "glassification" (switching from plastic to glass packaging) trend suggests consumers are more aware of the importance of sustainability and recognize the value of glass for its infinite recyclability as well as the unique protection it provides to products. That's why we've developed our innovative Eclipse range, an eco-designed refillable packaging solution.



ECO-DESIGN AT SGD PHARMA

At our company, we believe that sustainable development requires us to continuously strive for more environmentally responsible practices. By prioritizing eco-design in the innovation process, we aim to minimize the environmental impact of our products and operations while meeting the evolving needs of our customers and stakeholders. In this section, we will outline our eco-design initiatives and progress, and highlight the ways in which we are working to integrate sustainable design principles into our business practices.

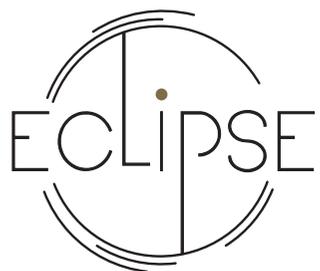
IDENCY

At SGD Pharma, we are proud to offer IDENCY, a premium Type I borosilicate product that complements our current portfolio. Designed to meet the needs of even the most sensitive parenteral drugs, IDENCY vials offer exceptional chemical and mechanical resistance while maintaining the same outer diameter as standard tubular glass vials, making them easy to integrate into customer's existing filling lines. What is interesting, IDENCY's lightweighting and production process help reduce our carbon footprint impact, making it a sustainable choice for your business.



10MR IDENCY COMPARED WITH CO₂ EMISSION SAVINGS

10MR IDENCY COMPARED WITH	CO ₂ EMISSION SAVINGS
STANDARD ISO ML (molded)	-24% (Lightweighting)
STANDARD 10R (Tubular) (1 mm thick glass wall)	-24% (Lightweighting)



We are thrilled to introduce Eclipse, our new eco-designed re-use solution for beauty products. Eclipse is a versatile option for a wide range of beauty and wellness products, offering an effortless replacement and recycling experience.

As one of our stock molds, Eclipse is a bespoke full packaging solution with recycling capabilities that optimize the consumer's refill experience. Featuring a unique twist and lock system, the inner plastic capsule can be easily loosened and secured to the glass jar without any adhesive or tools. This innovative design enables end-users to replace and refill the capsule with ease.

Crafted from glass and polypropylene, Eclipse is fully recyclable. Its refillable nature allows consumers to reuse the jar with a new product-filled capsule, significantly reducing single-use packaging and their environmental footprint. With Eclipse, brands can showcase their commitment to sustainability while empowering consumers to participate actively in the circular reuse economy.

Developed as a stock mold with two shape options for the glass jar, Eclipse provides a complete packaging solution that can help brands save significant time in product development and accelerate their launch.

GLOBAL ETHICS POLICY

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.



MAIN KPIS:

- 0 NUMBER OF RECEVABLE ALERTS RECEIVED THROUGH THE WHISTLEBLOWING HOTLINE
- 0 NUMBER OF CONFIRMED INCIDENTS OR LEGAL ISSUES REPORTED

INTERVIEW



CAROLINE

GROUP LEGAL DIRECTOR

2022 was a breakthrough year when the Group was able to focus on our action plan and start fixing gaps, from an ethics and compliance perspective. The actions that have been carried out throughout the year are all closely connected to our CSR strategy.

At SGD Pharma we believe that sustainability is our key responsibility, and we are eager to promote critical ethical values in business affairs. Besides, it is crucial from a regulatory perspective to operate in full compliance with existing laws and regulations. Finally, CSR is very attractive for our employees, clients, suppliers, and external stakeholders. Considering these perspectives, the Group wants its business conduct to be seen as exemplary.

We are glad to have a clear vision of the CSR strategy in 2022 that will let us reach our main goals in corporate, environmental, and social responsibilities. As a member of a heavy industry, we pay special attention to our carbon footprint and as a company with more than 3000 employees worldwide, we take all necessary actions to attract new talent, and also to motivate and retain our staff.

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) for implementation in the jurisdictions where our employees and representatives are located. It was strengthened to meet the highest standards and new regulations in 2017 and is acknowledged and followed by every employee or person acting on behalf of SGD Pharma.

It is divided into 8 parts:

- Respect for individuals
- Confidentiality and protection of sensitive information
- Respect for health, safety, and the environment
- Preventing 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

The Compliance Committee has been created in 2016 and is composed of the Group Legal Director, the Group HR Director, the Chief Commercial Officer and the Chief Financial Officer. The Committee meets quarterly to address issues related to the Code of Ethics and Conduct, the regulatory requirements on transparency, anti-corruption, third-party verification, sanctioned countries, GDPR and alerts received through the whistle-blowing system. The whistleblowing system allows employees to report any issue anonymously, in complete confidence and without blame.

FCPA Policy

Our anti-bribery and corruption policy, as per Article 17 of the Sapin 2 Law, specifies zero-tolerance 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 Group in greater detail. It is also the duty of SGD Pharma to prevent anyone acting on behalf of the company, including our third-party contractors (suppliers, distributors, clients, and agents), 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 experienced any issue or litigation concerning ethics within the past 5 years.

OUR 2023 ACTION PLAN

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

Training on anti-corruption

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

We will continue providing training on the prevention of bribery as part of our efforts to stop corruption and we aim to renew it in 2023. We will also set-up a new fraud policy at group level and initiate worldwide complementary e-learning on fraud and a gifts & entertainment policy to increase teams' awareness about risks and reinforce good practice behaviours in terms of anti-bribery and anti-corruption. Our FCPA policy will be reviewed and updated to abide by law enactment and enforcement trends. Managers are also responsible for promoting and communicating ethical standards to employees and to answer any questions or concerns. To provide a clear framework, the Limitation Of Authorities (LOA) that has been defined and implemented so that all employees know what they can and cannot do without approval of managers. It will be reviewed to adapt to SGD Pharma's evolving organization.

Personal Data Protection

SGD Pharma has set up a strict procedure, dedicated tools and a Good Practice Guide for the responsible use of personal data to be followed by all employees exposed as part of their professional activities, under the supervision of the GDPR Committee in charge of ensuring compliance with personal data protection regulations.

Employees or collaborators are regularly reminded of their confidentiality obligations for all the data, in particular personal information they have access to within the framework of their functions and the associated risk for the Group of any illicit use or reuse of such data with regards to privacy regulations.

To inform and sensitize employees regarding personal data obligations in the various jurisdictions where the Group operates, SGD Pharma will continue to communicate and organize learning sessions proportionate to the data processing and data access, and IT risk learning sessions in collaboration with the dedicated services to reinforce rules on the collection, storage and protection of personal data.

New professional whistleblowing system

SGD Pharma has changed its professional whistleblowing tool to an updated, better performing and fully securitized global system, ensuring the strictest confidentiality and anonymity to any whistleblower while guaranteeing compliance with GDPR regulations, in order to encourage alerts, particularly with regards to corruption and financial irregularities, environmental violations, and violations in terms of the health and safety code, privacy etc. from all our employees wherever they are located. Our alert procedure will also be revised to comply with all new regulations as they come into force.

Our 2023 objectives

- Review of Group compliance policies
- Anti-fraud training and policy
- Anti-competitive practices & competition law training
- Personal data compliance
- Whistleblower system for stakeholders to report corruption and bribery



SUSTAINABLE PROCUREMENT

Our Purchasing Policy is in place and was updated in 2019 with ethical, social, and environmental criteria. 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 in the same way as they are rated for quality, finance, and delivery. We aim to continue to develop partnerships with those suppliers that care deeply about governance, social and environmental topics.

**SGD PHARMA REQUIRES ALL SUPPLIERS
TO COMPLY WITH NATIONAL AND INTERNATIONAL
LAWS AND REGULATIONS ON ETHICS AND SOCIAL ISSUES.**



BIHAG

GROUP PURCHASING DIRECTOR

2022 was a challenging year on the economic front, yet an important year of progress for our Sustainable Procurement department. We have started working on the digitalization of our CSR questionnaire, with a target to complete the transition by the end of 2023.

We continued our Supplier Code of Conduct and CSR questionnaire initiative in 2022 and started sharing initial feedback with our critical suppliers. The suppliers are now aware that they are rated on their CSR performance in the same way as they are for quality, finance, and delivery.

In my opinion, CSR impacts beyond how a company manages its business and takes responsibility for its socioeconomic impact. It is more important for the long-term future of mankind, the choice of an ethical behavior over short-term economic benefits.

In the next 2-3 years we are planning to work on the following initiatives:

- Certification for sustainable supply chain
- Further training of our buyers on social and environmental issues within the supply chain
- CSR suppliers' performance improvement and positive impact (social risk & scope 3 reduction)
- Suppliers' social diversity development

Suppliers of SGD Pharma play an important role in the success of our business model and sustainability program. As part of our commitment to sustainability, we are working with our key suppliers to improve their own sustainability initiatives. We strive to conduct business with suppliers who 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 for 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 environmental principles. All our critical suppliers must acknowledge the Supplier Code of Conduct. There is a low risk of disruption to the supply chain and low risk of scarcity of raw materials.



Our Sustainable Procurement policy

The Purchasing Policy provides clear guidelines of Group expectations in terms of purchasing practices carried out across 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-Party Validation procedure

The overall goal of purchasing is to procure quality products and services in the most cost-efficient 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.

Training of buyers on social and environmental issues within the supply chain

To engage the purchasing department in CSR topics, an internal training of the procurement team was organized by our CSR Coordinator. During the event, the members of the team were instructed on the basic aspects of the CSR principles of the Group.

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:** conflicts 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 **more than 350 critical suppliers** out of a total of more than 2500, representing over 80% of purchasing value and volume. These suppliers are critical 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 to review their performance on CSR topics and learn more about their practices.

A score was allocated to each supplier based on their responses, using 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.

Our 2022 results

% of risky suppliers for which conflict minerals information is available	39%
% of critical suppliers assessed through Dow Jones	10%
% of targeted suppliers that have been assessed through the CSR questionnaire	91%
% of critical suppliers having CSR clauses in their contracts	100%
% of critical suppliers that have signed our Business Code of Conduct and Ethics	90%

Our focus in **2023** will be to achieve 100% CSR assessment for critical suppliers.



THOMAS

SAINT-QUENTIN-LAMOTTE PLANT DIRECTOR

The Saint-Quentin-Lamotte plant is focused on excellence to provide our clients with premium products and services. One of the major goal for this site is to retain and attract skills.

CSR, which is supported by the Group and its shareholders, plays an important role in the success of our site because it meets the expectations of clients and of current and future employees.

To achieve this, the Saint-Quentin-Lamotte plant has worked on the environment pillar by building a decarbonization roadmap that aims to decrease Scope 1 and 2 emissions by 2030. It is based, first and foremost, in 2022, on controlling energy consumption and obtaining ISO 50001 certification.

The social pillar is based on the values of interpersonal skills, cooperation and a participatory model, the main example being the development of the PCS (Performance Control System) at all levels of the company. Other areas such as quality of life at work and the mobility plan will also contribute to the development of the social pillar.

Our diverse employee mix is at the heart of Saint-Quentin-Lamotte plant's success, with customer satisfaction and respect for the environment as the most important focus areas.

SAINT-QUENTIN-LAMOTTE PLANT MAIN ACHIEVEMENTS

The site in Saint-Quentin-Lamotte, France, is the Group's most recent plant, becoming operational in 2016. It specializes on parenteral (injectable and infusion) and nasal products. 2022 was a year of big achievements for this plant which we are glad to share with you.



MAIN RESULTS

ZERO
ACCIDENTS IN 2022

86.9%
EHS MATURITY MATRIX EVALUATION

-13%
WASTE QUANTITY IN 2022

REDUCTION IN CUSTOMER CLAIMS

Our site in Saint-Quentin-Lamotte, France boasts impressive results concerning customer claims. Since 2017, the plant has been able to reduce the number of customer claims by 53%.

NUMBER OF CLAIMS



ISO 50001



ISO 50001 establishes a framework of requirements for organizations to create a policy for more efficient energy use, to establish targets and objectives to comply with the policy, to utilize data to gain a better understanding and make informed decisions about energy usage, to measure and evaluate the outcomes, to review the effectiveness of the policy, and to continuously enhance energy management. At the end of 2022, the plant in Saint-Quentin-Lamotte was certified with ISO 50001. It is a great step towards the realization of the Group's CSR strategy.

ENERGY EFFICIENCY

Due to some insignificant changes of furnace temperature, we succeeded to decrease energy consumption by 2 MWh/d.

3. OUR ENVIRONMENTAL ASPECTS

SGD Pharma consumes a significant amount of energy due to the activities of our company, resulting in high greenhouse gas 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 across the board, as well as improving water, waste management, and resource efficiency, to help the environment. To remain competitive, all these areas need to be improved, which will necessitate both financial and social expenditures.

Glass, on the other hand, is the material best suited for storing delicate medications since it has little interaction with its contents and provides 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.

At the beginning of 2022, targets for reducing our CO₂ emissions by 2040 were defined and presented to our stakeholders. We announced a 46% Scope 1&2 reduction by 2040.

During 2022, the transition plan for our Scope 1&2 emissions was reviewed and completed, resulting in more ambitious reduction targets:

-35% IN 2030 VS 2020
-65% IN 2040 VS 2020

In parallel, our Scope 3 was evaluated on all 15 chapters of the greenhouse gas (GHG) protocol, which allowed us to identify the most impacting categories and to calculate more precisely the associated emissions. This analysis is the basis of a roadmap we are currently building to reduce our Scope 3 emissions. SGD Pharma is currently studying the feasibility of an SBTi commitment.

MAIN KPIS (MAIN RESULTS IN 2022)

276
 TOTAL AMOUNT OF SOX EMITTED
 (METRIC TONNES)

272
 TOTAL AMOUNT OF NOX EMITTED
 (METRIC TONNES)

5 / 6 PLANTS
(100% OF GLASS PLANTS)
 ISO 14001

79%
 % OF RECYCLED WASTE

16317
 TOTAL AMOUNT OF WASTE
 (IN METRIC TONNES)

633
 TOTAL AMOUNT OF HAZARDOUS WASTE
 (IN METRIC TONNES)

1.69
 WATER CONSUMPTION RELATIVE
 TO PRODUCTION (M³ PER/METRIC TONNE
 OF GLASS)

736,809
 OVERALL ENERGY CONSUMPTION (MWH)

3 / 6 (SINCE 2023: 4 / 6) PLANTS
 ISO 50001 IMPLEMENTATION

217057
 CO₂ EQ EMITTED (SCOPE 1 & 2)
 IN METRIC TONNES

0.743
 CO₂EQ PER MELTED METRIC TONNE
 OF GLASS



LAURENT

GROUP EHS DIRECTOR

2022 brought many changes. The first year of partnership with PAI Partners and a new CEO gave the Group strong acceleration in sustainability. The year also brought us many results in environment achievements: members of Executive Committee adopted the decarbonization strategy, the first validation of Scope 1 and 2 by KPMG, the first calculation of Scope 3 CO₂ emissions.

Among our main achievements in 2022 we note:

1. SGD Pharma reduced its water consumption drastically, mainly by improving its management of maintenance and tracking behaviors.
2. Our Indian site in Vemula has established a Green Electricity Project, covering all rooftops with solar panels, which started mid-2022.
3. SGD Pharma focused on a detailed environmental risks assessment including its historical environmental issues, through a complete assessment of some plants and their associated actions plan and Capex plan. This helped to stabilize water discharge in the site in China and air emissions at the site in Sucy-en-Brie, France.

In 2022, the Group had a strong focus on the environment, which helped us to achieve results and plan several initiatives for upcoming years. Our goal is to be sure that we limit our negative impact and develop our sustainable aspect, for the purpose of transforming the company to address future needs.

ISO CERTIFICATES

ISO certificates play a significant role in the CSR strategy of the Group. Each ISO certificate norm we earn proves our engagement to the environment, health & safety, and to energy initiatives and actions. By the end of 2022 all SGD Pharma plants had been awarded ISO 14001 and ISO 45001 certification and 80% with ISO 50001.

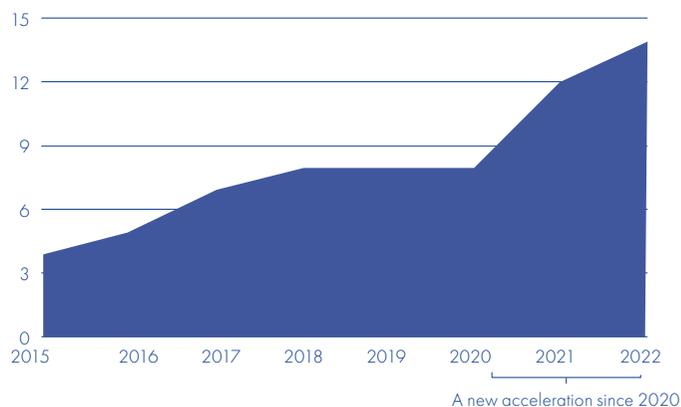
EHS & ENERGY ISO CERTIFICATIONS

Target: 100% of glass plants certified ISO 14001 + ISO 45001 + ISO 50001

Glass plants certification rates:

- ISO 14001: **100%**
- ISO 45001: **100%**
- ISO 50001: **60%** (**80%** beginning 2023)

NUMBER OF CERTIFICATIONS



ISO 50001

ISO 50001 is a standard for the design, implementation and maintenance of an energy management system. It provides a framework of requirements for an organization to reach a developed policy on energy efficiency, set goals and use data to gain better understanding on the possible ways of energy efficiency, and to measure results.

By the end of 2022, three of the Group's plants were ISO 50001 certified. Zhanjiang Plant in China was awarded its ISO 50001:2018 International Energy Management System Certification from SGS in February 2022. This achievement is a testament to our company's unwavering commitment to sustainable development and our ongoing efforts to create a better environment and future.

In 2021, Zhanjiang Plant established a dedicated energy management team and developed energy management policies, objectives, and standardized management processes for major energy sources, such as natural gas. These efforts have been implemented in planning, procurement, use, monitoring, and other aspects of our operations.

By the beginning of 2023, another one of our plants, Saint-Quentin-Lamotte, France, was also awarded ISO 50001 certification. The Group is proud to have four plants accredited to the ISO 50001 standard. This is an important step in our CSR development.

ISO 50001 certification is a significant milestone for the Group, as it lays the foundation for us to continue improving our energy management practices.

SGD Pharma, as a group, is committed to advancing the operation and improvement of our energy management system through advanced management methods. We are committed to responding to the government's call for energy conservation and emission reduction and achieving the goal of dual control for enterprises.

Our goal is to build a clean, low-carbon, safe, and modern energy system that minimizes our impact on the environment. To achieve this, we will continue to implement best practices and strive for continuous improvement in our energy management.

SDG PHARMA

CO₂ REDUCTION STRATEGY

2022 was a breakthrough year for the Group with our CO₂ reduction strategy being adopted. The strategy is based on 8 main steps – mobilize, measure, disclose, set targets & pathway, reduce, engage, contribute to neutrality, and prepare & adapt. A large part of our total emissions falls under this process, and, they are fully linked into the business roadmap.



Some climate related actions already implemented or in progress include:

- 1 MW solar panel installation at Vemula, India (-1400 tCO₂)
- Furnace 2 rebuilt at Sucy-en-Brie (~ -10% CO₂ & NO_x reductions)
- Electrification of part of the process in various plants, combined with green electricity

Although SGD Pharma maintains its decarbonization objectives in the medium & long-term, short-term actions are being taken to reduce sites' dependence on gas, as well as to reduce the financial impact of the increase in electricity and gas prices in Europe. This generated a notable negative impact on 2022 CO₂ emissions results and partially on those for 2023. Various actions have also been implemented to reduce current consumption (optimizing compressed-air production, etc.) Our CO₂ reduction targets takes into account the fact that emissions will remain at a similar level in 2022 and 2023 vs 2020 and above 2021. Those level of emissions are mainly due to the furnace rebuilt needs. The significant decrease linked to our decarbonization actions planned in our trajectory will be effective mainly from 2024.

SGD PHARMA 2040 TRANSITION PLAN



At the beginning of 2022, targets for reducing our CO₂ emissions by 2040 were defined and presented to our stakeholders. We announced a 46% Scope 1&2 reduction by 2040.

During 2022, the transition plan for our Scope 1&2 emissions was reviewed and completed, resulting in more ambitious reduction targets :

-35% IN 2030 VS 2020

-65% IN 2040 VS 2020

Our actions to reduce emissions consist of:

- Improving energy performance
- Reducing fossil-fuel combustion, electrification
- Increasing green electricity use
- Using decarbonated raw materials / external cullet

CO₂ EMISSIONS EXTERNAL VALIDATION BY KPMG

SGD Pharma has undergone external validation of its Scope 1 and 2 CO₂ emissions by KPMG. This validation process ensures that SGD Pharma's reported emissions data is accurate, reliable, and transparent, which is critical for demonstrating the company's commitment to sustainability and reducing its environmental impact.

Scope 1 emissions refer to direct emissions from sources that are owned or controlled by SGD Pharma, such as gas combustion in manufacturing facilities.

Scope 2 emissions refer to indirect emissions that come from generating the purchased electricity, heat, or steam used by SGD Pharma.

By validating both scopes, KPMG ensures that SGD Pharma's emissions reporting includes all its operations. This also helps the

company identify areas where it can reduce its carbon footprint.

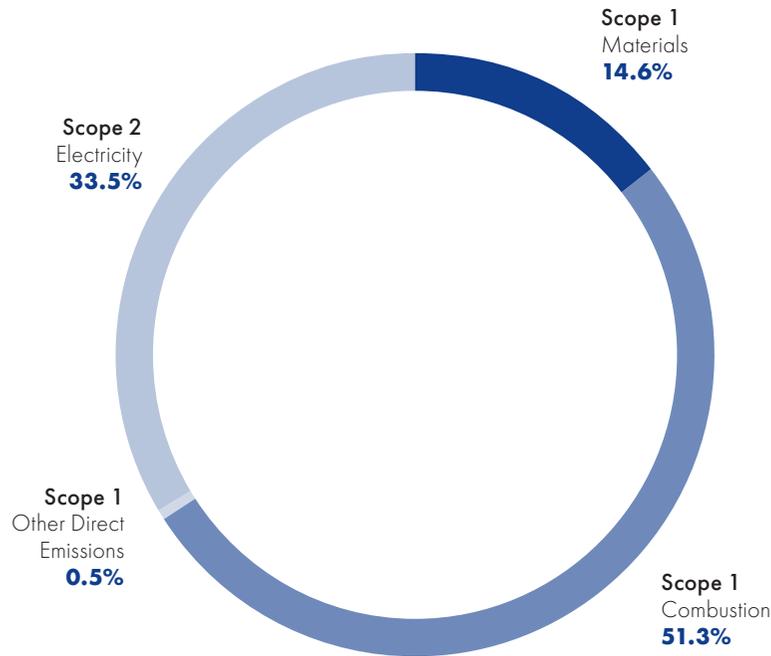
KPMG's validation process involved a detailed review of SGD Pharma's emissions data and the systems and processes used to collect and report it. The validation process also includes an assessment of the quality of the data, the accuracy of the emissions calculations, and the completeness of the emissions inventory. KPMG's validation provides independent assurance that SGD Pharma's emissions data is reliable and transparent, giving stakeholders confidence that the company is committed to sustainability and reducing its environmental impact.

By undergoing external validation of its emissions data, SGD Pharma is demonstrating its transparency and accountability to stakeholders, and its commitment to reducing its environmental impact in a measurable way.



DISTRIBUTION OF GHG EMISSIONS BY SCOPE AND SOURCE

The **Scope 1 & 2** GHG Footprint at our five production sites (**217 057** tonnes of CO₂eq).



Scope 1: represents all direct emissions from raw materials & Gas and oil.

Scope 2: represents indirect emissions such as supplied electricity consumption.

Scope 3: in 2022 only business travel was calculated for Scope 3. Our target is to include a full calculation of Scope 3 during 2023.

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

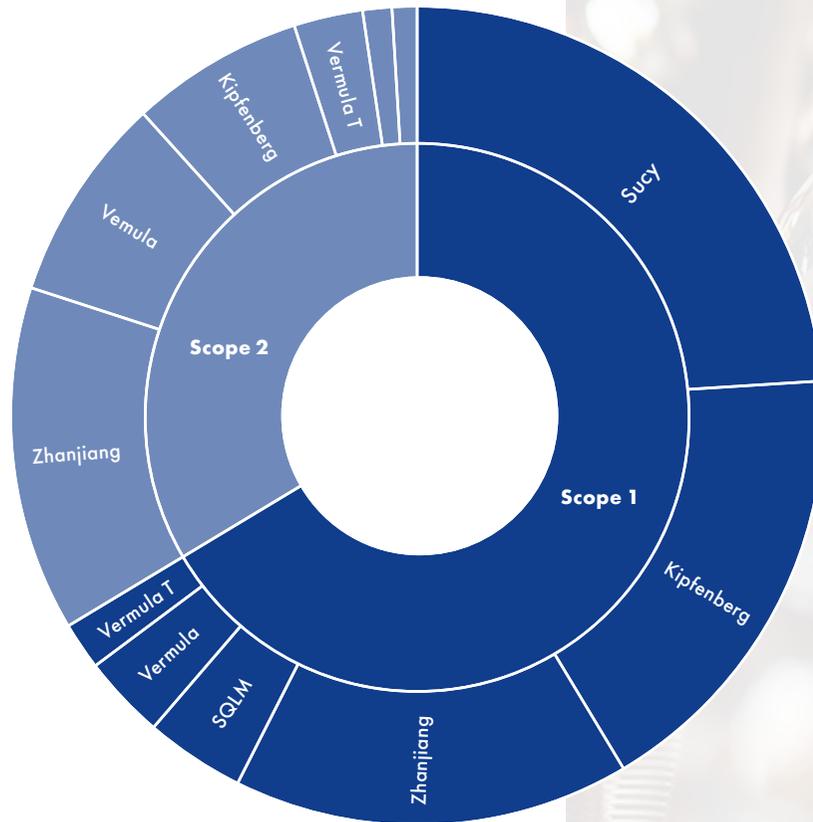
- Direct emissions represent 66% of our overall emissions
- Fuel consumption for heat generation in the manufacturing process and buildings represents 51.3% of our overall emissions
- Process emissions with 14.6% of total GHG emissions generated by the chemical reactions of carbonated raw materials in mostly soda-lime glass formulation (Type III). Plants producing borosilicate glass (Type I) have a much lower percentage of process emissions.
- Electricity: represents 33.5% 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 China, India, and Germany, where the energy sources used for producing electricity emit more carbon than in France.

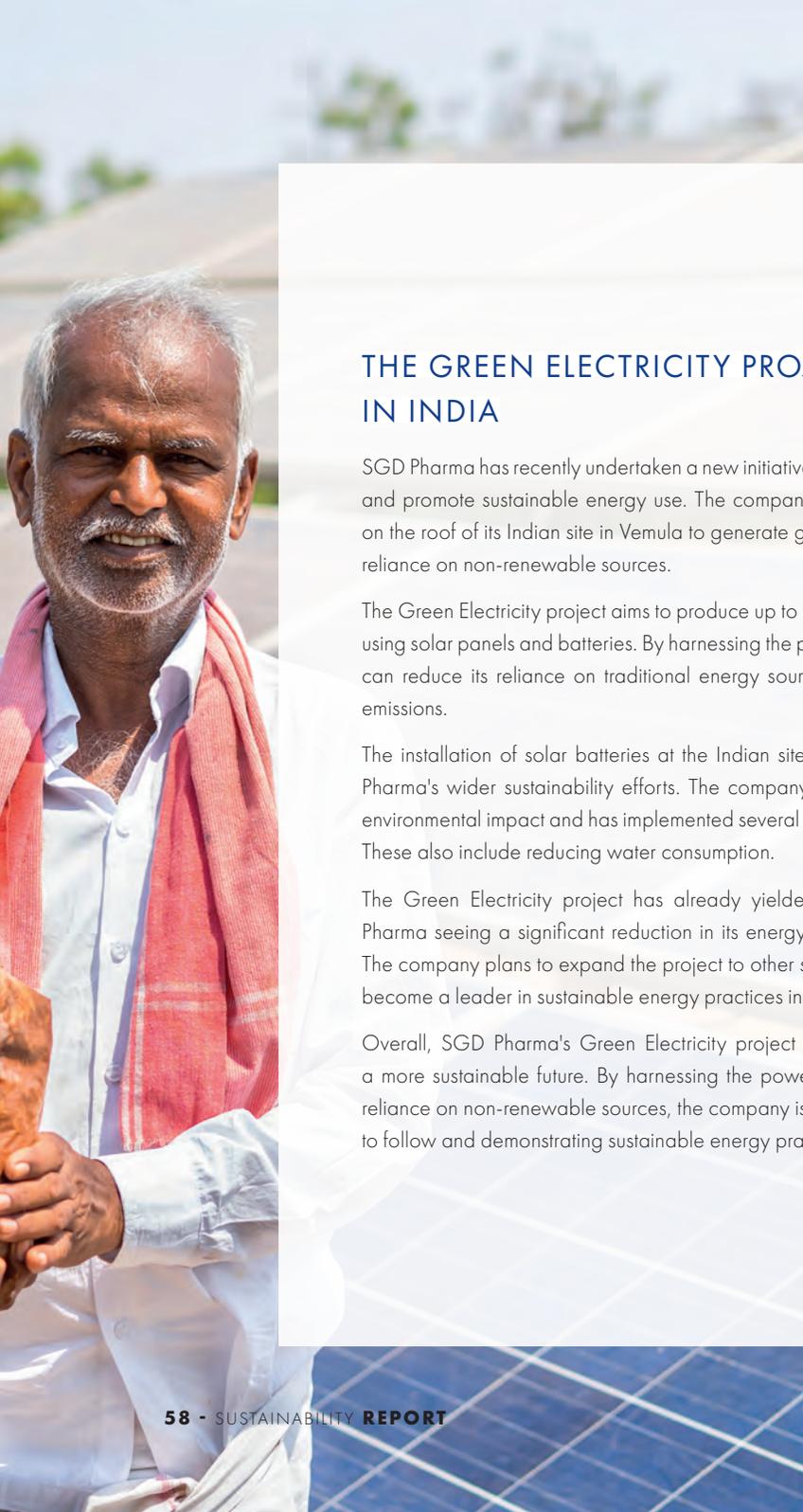
Scope 3

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

- Maritime transport, which has a lower impact, is favored over road transportation for moving products from the Sucy-en-Brie Plant to the harbor at Le Havre in France.
- For road transport, SGD Pharma requires specific statements from carriers specifying that they use newer vehicles with lower emissions. In 2018, SGD Pharma launched the "Load Factor Optimization" project which aims to optimize the filling of carriers' trucks, thereby reducing both costs and carbon emissions. The program is ongoing.

GHG EMISSIONS (TONNES CO₂ EQ) IN 2022
PER SCOPE AND PER SITE





THE GREEN ELECTRICITY PROJECT IN INDIA

SGD Pharma has recently undertaken a new initiative to reduce its carbon footprint and promote sustainable energy use. The company has installed solar batteries on the roof of its Indian site in Vemula to generate green electricity and reduce its reliance on non-renewable sources.

The Green Electricity project aims to produce up to 10% of the site's energy needs using solar panels and batteries. By harnessing the power of the sun, SGD Pharma can reduce its reliance on traditional energy sources and decrease its carbon emissions.

The installation of solar batteries at the Indian site is just one example of SGD Pharma's wider sustainability efforts. The company is committed to reducing its environmental impact and has implemented several measures to achieve this goal. These also include reducing water consumption.

The Green Electricity project has already yielded positive results, with SGD Pharma seeing a significant reduction in its energy costs and carbon emissions. The company plans to expand the project to other sites in the future and hopes to become a leader in sustainable energy practices in the pharmaceutical industry.

Overall, SGD Pharma's Green Electricity project is an important step towards a more sustainable future. By harnessing the power of the sun and reducing its reliance on non-renewable sources, the company is setting an example for others to follow and demonstrating sustainable energy practices.

360 ENVIRONMENTAL ASSESSMENTS

As a global leader in pharmaceutical glass packaging, SGD Pharma recognizes its responsibility to operate in a sustainable and environmentally responsible manner. To this end, the company has conducted a comprehensive 360° environmental assessment of its manufacturing sites in Sucy-en-Brie, France, and Kipfenberg, Germany.

This assessment involved a detailed analysis of the environmental risks and impacts of the company's operations at each site, as well as an evaluation of SGD Pharma's environmental management practices. The assessment was conducted in accordance with international environmental standards and guidelines.

Overall, SGD Pharma's 360° environmental assessment demonstrates the company's commitment to environmental sustainability and its willingness to take concrete action to address environmental risks and impacts. By implementing its action plan, SGD Pharma is not only reducing its environmental footprint, but also improving its efficiency and competitiveness in the global marketplace.

FURNACE REBUILD VEMULA, INDIA

SGD Pharma India deployed advanced technology in its rebuild of the this Type I Borosilicate Glass Furnace, ensuring the production of clean and high-quality glass containers for pharmaceutical primary packaging. The facility was designed to manufacture both enhanced-quality CLEAR molded glass vials and to be able to produce AMBER glass vials. The project was completed on time with no safety challenges, demonstrating the impressive and professional work of the SGD Pharma India molded team. The team's dedication and effort resulted in the successful completion of the Furnace Rebuild and C-Class repair, Hot end & Cold end, two days ahead of budget, despite the challenges posed by the COVID pandemic.



PASCAL

DIRECTOR OPERATIONAL EXCELLENCE GROUP

2022 was clearly impacted by the crisis connected with the war in Ukraine and energy pricing. In turn this also impacted the global performance of the company. Nevertheless, it did not influence our long-term strategy regarding CSR and overall reductions of CO₂ footprint. At some points, we were able to accelerate the energy performance improvement projects to minimize the financial impact on the company.

CSR is our global responsibility! I believe that a good CSR strategy is allied to a culture of operational excellence where you need to find the balance between the company's needs, employee development, customer expectations and local community support.

At SGD Pharma we succeed to cover all these aspects. I am especially proud of the journey of operational excellence we have undertaken in 2022. We have defined a general framework of the key points we want to use to continuously improve our operations. We are going to develop some tools to build stronger business processes in the safety, environment, energy, and production areas.

Our main priority for 2023 will be the deployment of the structured problem-solving (SPS) approach, a tool for people to resolve their operational problems. Talking about energy efficiency, in 2022 we also initiated the solar energy project in Vemula, India, and we also plan to expand the project to our plant in Germany by the end of 2023.



ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

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

As a result, we continuously need to 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 has been equipped with a full electrical furnace since 2015 and a second oxy-fuel combustion furnace equipped with electrical boosting, both of 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 material.

We recycle all our internal glass debris and ensure that no raw materials are thrown away.

To drastically increase our contribution to limiting climate change, our multidisciplinary team identified and quantified more than a hundred opportunities and projects where there is a need for a technological breakthrough before 2050.

This helped us rethink our carbon footprint reduction strategy with an ambitious target. This will be integrated into our 2023 climate strategy.

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

Energy management at SGD Pharma

A furnace is not turned off after it has been lit. Our forming processes and utilities use a lot of energy.

As a result, we've developed an internal energy management standard (based on ISO 50001) that continuously improves energy performance at all SGD Pharma sites and fosters an energy-performance culture.

This management system contains four phases (based on the PDCA – Plan, Do, Check, Act – method):

- 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 integrating 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

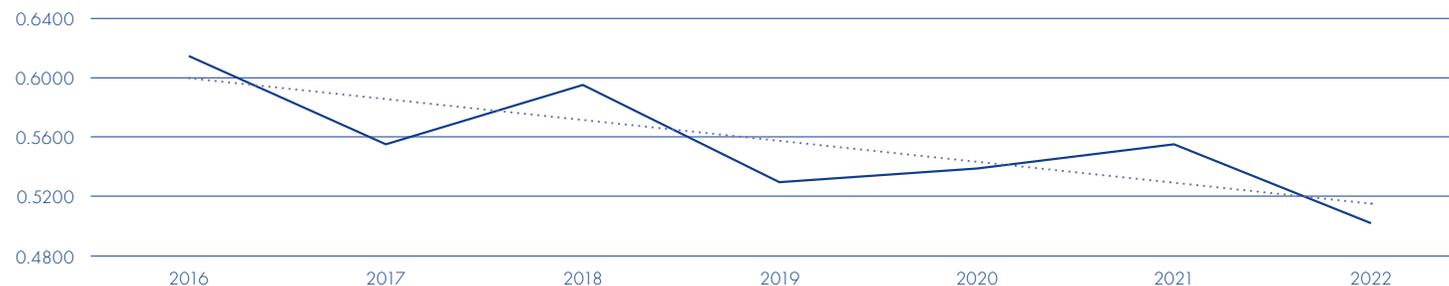
China

SGD Pharma Asia-Pacific saw a decreasing trend in energy consumption per unit of finished product during the period 2016-2022 and has completed the Zhanjiang Municipal Government's "13th Five-Year Plan double control" energy consumption target on time.

SGD Pharma Asia-Pacific continues to promote the implementation of energy-saving technology improvement projects, to improve the level of energy management, reduce energy consumption effectively, increase energy efficiency, and achieve energy conservation and emissions reduction. One of the energy-saving initiatives in 2022 was the installation of a new air compressor. Thanks to that, the site succeeded in saving 460KW.

ENERGY-SAVING INITIATIVES

UNIT CONSUMPTION PER TONNE (TCE/T)



France

SGD Pharma's site in Saint-Quentin-Lamotte (SQLM) has taken an admirable step towards energy conservation by implementing their own energy-saving initiatives. For instance, they have successfully reduced gas consumption by 4 MWh per day. This initiative not only results in significant energy savings but also reduces greenhouse gas emissions, thus contributing to a cleaner environment.

Another important energy-saving initiative was the installation of insulation after plating. It has reduced consumption, which represents 548 MWh per year.



JÉRÔME

CHIEF FINANCIAL OFFICER

At SGD Pharma, we assume that as an industrial group, we have a responsibility to minimize our environmental impact. We are committed to integrating our environmental footprint into the management of our business, which requires specific and long-term actions. Our new shareholder, PAI Partners, shares our vision and supports our efforts to integrate environmental concerns into our financial strategy. As part of this commitment, we have developed a comprehensive company-wide program to coordinate and develop innovative solutions within our manufacturing processes, with the aim of reducing greenhouse gas emissions.

WASTE & WATER MANAGEMENT

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.

Thanks to our water consumption management, since 2018 we have achieved a reduction of 41.6%. We are not only working on closed water loop designs but also on improved management.

Furthermore, in Vemula, India, 80% 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 has given us a saving of up to a third of annual consumption at the plant since 2019.

Also, in recent years several actions have been taken to improve water consumption in the Zhanjiang site in China:

1. Replacement of circulating cooling water pump in the molding process so the whole system operates without leakage.
2. Better water pipeline marking to avoid unintended disruption by operators and unnecessary waste of tap water.

3. Renovation of underground water pipes to prevent leaks.
4. Open cooling towers gradually replaced with closed stainless steel cooling towers to reduce water loss through blowing.
5. Replacement of semi-automatic washing machines with automatic washing machines to reduce the additional loss of water when cleaning work clothes.
6. Replacement of all non-water-saving water appliances with water-saving appliances.
7. Stronger water conservation promotion and increasing employees' awareness of water conservation.

ANNUAL WATER CONSUMPTION (M³)



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 waste sent to landfill

Our Group strategy is built on sharing best practices across our sites. We also employ as much internal cullet as possible. 99.5% of our internal cullet are reused in our production process. We are also working together with other glass industry players to explore potential cullet reuse options.

The Zhanjiang plant in China has taken an important action regarding the reduction of waste generation in 2022. The solid waste from the desulfurization and denitrification system (desulfurization ash) is reused, to be deployed as the raw material for the treatment of smoldering sewage, and to reduce the purchase of fewer raw materials and the discharge of solid waste. From January to October 2022, the reduction was 279 tonnes, 29% lower than the same period in the preceding year.

During the production process our sites produce a certain amount of hazardous waste. It is our responsibility to take measures for the recovery of this kind of waste. Our site in Saint-Quentin-Lamotte uses the following methods to prevent pollution by hazardous waste:

- Incineration with energy recovery (soiled waste)
- Recycling of metals (e.g. batteries, aerosols, etc.)
- Recycling of substances (e.g. neon lights)
- Regeneration of oils



CHRISTOPHE

CHIEF OPERATING OFFICER

As a key supplier to the pharma industry, SGD Pharma has always been committed to doing what is right. In 2019, to re-enforce this engagement, we started to formalize our CSR initiatives and to apply for annual evaluation with ECOVADIS and CDP (Carbon Disclosure Project). Our achievements during the last 4 years demonstrate our commitment to be among the best in CSR but we know that we have still much more to do to reduce our environmental impact.

The energy crisis in 2021/2022 forced us to rethink and accelerate our strategy of decarbonization to be the leader in glass pharma packaging. As a result, we came up with a clear plan of decarbonization to ensure a 65% reduction in our carbon footprint by 2040 (compared with 2020). We also evaluated our Scope 3 emissions for the first time and started new initiatives to reduce them. To support this effort, we will significantly increase our investments in the coming years.

In 2022, we continued to reduce our water consumption with a cumulative reduction of more than 20% compared to 2020. We continued our biodiversity initiative in China by contributing to the regeneration of the coastal mangrove in Zhanjiang (Guangdong province) and in India, by planting trees on our site in Vemula. In 2023, we will also define a biodiversity initiative for our European sites.

During the last year, we communicated our CSR requirements to all our main suppliers and made CSR progress a key part of our customer selection process.

Safety of all our employees is our most important goal and in 2022 we increased our progress in this area towards zero accidents.

At SGD pharma, all our employees in our industrial operations are fully engaged in the company being recognized as one of the most socially responsible glass packaging producers.

LOCAL & ACCIDENTAL POLLUTION PREVENTION

If our manufacturing processes and resources are not properly managed, there could be resulting 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 placed 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 studied the wastewater discharges at our site in China and completely reviewed our wastewater circuit and treatment. We also increased the capacity of the wastewater treatment plant and we improved discharge monitoring and 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 Saint-Quentin-Lamotte in France 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 noisy.

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

Some improvements were recently implemented in Kipfenberg in Germany 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 (Volatile Organic Compounds) treatment for all glass finishing and decoration equipment in 2021. We also finalized the validation of DeNOx with local government.



GENERAL MANAGER CHINA / ASIA-PACIFIC



2022 was challenging in China. The Zero Covid policy kept the virus outside of China but at the price of countless restrictions. Our priority has always been, since the beginning of the Covid pandemic, to protect our employees, to serve our clients in the best way possible and to be an exemplary member of our local environment.

The removal of the Zero Covid policy in December 2022 triggered a massive Covid wave, with most of the country becoming infected in the following weeks. Despite this extraordinary situation, SGD Pharma Asia Pacific managed to continue to deliver an excellent service level to its customers while improving safety, quality, and performance.

At SGD Pharma Asia-Pacific we believe that CSR is the right thing to do and we are eager to be a responsible corporate citizen.

Internally, we offer a work environment striving to be best in class:

- 1) Equal opportunities and zero gender pay gap.
- 2) In 2022, we helped 61 people in challenging situation by providing them with a job.
- 3) We have a long-standing relationship with Zhanjiang special school for student with disabilities to provide jobs to some of their graduates each year. In 2022 we employed 13 from the school.
- 4) We are SA 8000 certified, confirming our actions to provide a fair working environment to our employees.
- 5) In 2022, we provided 22,834 hours of training, including 15,850 hours focused on safety.

We also make it our duty to reduce our environmental impact. Our CSR strategy focuses on the reduction of emissions. We invest in the improvement of our production accordingly. In 2018, we changed our energy usage from heavy oil to LNG, which helped reduce our greenhouse gas emissions by 10%. We have also invested in a DeNOx system with a high filtering flow. Additionally, every year we take new actions to make progress with our water and waste management.

Our global responsibility is to support and protect nature as much as we can. We started planting mangroves in our city of Zhanjiang to support the protection of biodiversity. During 2022 we planted 1,000 trees, each protecting marine life, insects, and birds. In 2023 we will continue to plant more mangroves. Mangroves trees also offer the added value to absorb carbon. With 1,000 trees planted, we compensate for the carbon emitted during all our train journeys in China.

BIODIVERSITY



Mangrove Planting, Zhanjiang, China

Mangroves are a critical coastal ecosystem. As per UNEP-WCMC 2014, 1,533 species worldwide are associated with mangroves in some ways.

Nearly 50% of mangrove-associated mammals, 22% of fishes, 16% of plants, 13% of amphibians and 8% of birds and reptile species are threatened with extinction.

Mangroves are fundamentally important for numerous marine and terrestrial species, and also vital to coastal societies.

Mangroves help to feed and shelter humans, support coastal economies and communities, help to mitigate climate change by storing enormous amounts of carbon in their soil, reduce the impact of storms and coastal erosion, and provide medicines and spaces to improve mental wellbeing. Consequently, the loss of mangroves can have significant and long-lasting impacts on the health, safety and prosperity of millions of people, as well as hampering the fight against, and ability to deal with, climate change.

Supporting our commitment to the planet, SGD Pharma Asia Pacific held its first mangrove planting event on 9th March 2022 under the leadership of General Manager Frederic Barbier, as well as Deputy General Manager Industrial Operations Zheng Chunyan, HR and Administration Director Michelle Liang and SGD Pharma Asia Pacific Union representatives.

This event was hosted in partnership with Zhanjiang Municipal government. Since, SGD Asia Pacific held many more planting events, reaching 1000 planted trees up to end of 2022. These events raise awareness and implement a positive environmental action with SGD Pharma's employees, clients and other partners.

OUR 2023 PRIORITY

In 2023, we will continue to pursue our efforts to reach better sustainable results.

- New integrated HSEE policy
- GHG emissions reductions
- Higher proportion of green electricity (PPAs, solar, ...)
- Refining Scope 3 calculations
- Focus on water consumption



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 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.

CHRISTMAS DONATION TO "VORWEIHNACHT DER GUTEN HERZEN", KIPFENBERG, GERMANY

Instead of investing in customer gifts, SGD Pharma Germany again decided to make donations to a charitable organization in the vicinity.

In 2022, the donation went to the organization "Vorweihnacht der guten Herzen" (Pre-Christmas of Good Hearts). The fund-raising activities are managed by the local newspaper, "Donaukurier".

Together with local partners such as SGD Pharma, the association makes sure that the money really does benefit those in need in the community – quickly and without bureaucracy

DONATION OF BOTTLES TO GABRIELI GYMNASIUM (GRAMMAR SCHOOL) KIPFENBERG, GERMANY

As part of a practical seminar, pupils from the "Gabrieli Gymnasium" made various products from regional ingredients. As well as making chive vinegar, elderberry syrup, herbal salt, dandelion honey, elderberry jelly and various teas, they also created wine and liqueurs.

SGD Pharma supported the project with a donation of syrup and dropper bottles. The lids were provided by our distribution partner, Flaver AG. The products were then sold at school events and the proceeds go to a good cause.



CEREBRATION OF THE SPRING FESTIVAL

ZHANJIANG

On January 11, 2022, with the Spring Festival approaching, SGD Pharma China and Asia Pacific thanked all its employees for their hard work over the past year.

Our company offered auspicious New Year rice cakes and expressed its best New Year wishes to every employee and their families.

ANNUAL HEALTH CHECKUP

VEMULA, INDIA

In today's world, it is customary for many companies to provide a health checkup for all employees at the time of hiring as well as on an ongoing annual basis. This annual health checkup includes basic screening investigations needed to assess medical fitness and address any medical issues. SGD Pharma India provides all permanent and contract employees with their annual health check.



A SUCCESSFULL FINISH FOR THE SECOND BATCH OF INTERNS FROM THE COMPANY'S COOPERATION WITH DONGGUAN UNIVERSITY OF TECHNOLOGY

ZHANJIANG

On April 25th 2022, 5 interns from DGUT-CNAM presented their internship reports. The five interns showed what they had learned during the 6 months working in our factory.

Headmaster Mr. Zhangand, and teacher Mr. Ruan Xuxian attended this event online and Zhang Ming Jun, Vice President of the French side DGUT-CNAM, presented a video message. Our General Manager, Frédéric Barbier, Deputy General Manager Industrial Operations, Zheng Chunyan, and HR & Admin Director, Michelle Liang, gave them feedback and encouragement.



DISTRIBUTION OF BIKES FOR STUDENTS AT A LOCAL SCHOOL

SGD Pharma India is actively involved in social responsibility programs and contributes to developing villages and schools in the region. SGD Pharma feels strongly that today's children will be the future leaders and aims to contribute to continuous improvements in schools. During one of the CSR events, SGD Pharma India distributed 200 bicycles to the students and 20 special scooters to physically challenged residents.



THE UNION DISTRIBUTES MID-AUTUMN FESTIVAL WELFARE TO OUR STAFF

ZHANJIANG

On September 1ST 2022, the trade union distributed Mid-Autumn Festival welfare to all staff members to thank them for their hard work. We sent greetings and best holiday wishes to members, so that every member of staff could enjoy the Mid-Autumn Festival.



FAMILY DAY - 150 YEARS SGD PHARMA

KIPFENBERG

Due to COVID restrictions, our 150th company anniversary could not take place last year. As a result, we celebrated our 151st anniversary together with a family party on September 17th, 2022. All employees and their families, as well as former employees who had previously left the business, were invited to the family celebration.

After the opening, everyone was invited to help themselves to the various delicacies: The local butcher's shop Grötsch offered a roll roast with potato salad and dumplings or a ½ chicken. The Turkish community of Kipfenberg also offered a kebab stand. The kebab stand was also manned by our own staff. Drinks were served by our own canteen.

In the afternoon, everyone was then invited to enjoy a fabulous piece of cake and a cup of coffee. The "Fleißigen Bienen" (BusyBees) from Neuburga. d. Donau baked cakes especially for our festival and provided fresh coffee for the event.

So that every employee could have the opportunity to enjoy the festival with his or her family, it was decided that as few helpers as possible should come from within the company.

As a result, everyone was free to show their own workplace to their relatives and to take a tour of the factory. On the way through production, thanks to the help of various departments, stands were set up to illustrate the various work processes.

SGD PHARMA ASIA PACIFIC SUCCESSFULLY PASSES ZHANJIANG CITY CLEANER PRODUCTION AUDIT

ZHANJIANG

In August 2022, following an inspection by Zhanjiang Ecological Environment Bureau's expert group, SGD Pharma Asia-Pacific successfully passed the Cleaner Production Audit and was given Acceptance. The auditor reviewed our energy saving initiatives, consumption reduction, pollution reduction and efficiency improvements, and recognized the green and high-quality developments achieved by the enterprise.

In line with the relevant laws and regulations, the expert group conducted an in-depth investigation of the workshop site. They comprehensively checked the implementation of our company's medium to high-cost program and verified the economic, social, and environmental benefits of our clean production. The auditors were satisfied, giving us further motivation to continue to strengthen our cleaner production management, and to promote enterprise energy conservation and emissions reduction.



FIRST AID TRAINING IN SGD PHARMA ASIA-PACIFIC – HELPING TO IMPROVE SAFETY

ZHANJIANG

To enhance safety awareness among SGD Pharma Asia-Pacific employees, broaden our on-site knowledge and skills in first aid and rescue, as well as to improve our employees' ability to respond in an emergency, we invited Zhanjiang Red Cross Society and Guangzhou Red Cross Society to hold eight first-aid training classes for the company between 2019 and 2021. Through this learning, training and theoretical operation examination, 203 employees mastered emergency rescue skills such as cardiopulmonary resuscitation technology, which has been added as a further consolidation of our safety line.

In future, SGD Pharma Asia-Pacific will invite Zhanjiang City Red Cross Society to carry out first aid training again in the factory, so that more employees can improve their ability to rescue their colleagues through learning and training. Our target is to have a first aider on each shift who can act when needed and strengthen our emergency rescue ability.

SGD PHARMA SPONSORED CPT TO SEND CARE KIT TO INDONESIA CLIENTS

ZHANJIANG

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



GANESH FESTIVAL

VEMULA, INDIA

The idol of Lord Ganesh was brought and placed in the embellished and divine corners of the factory. On the third day, the idol was taken out by employees in a vibrant and melodious procession to be immersed traditionally in the Lake. SGD Pharma believes that in such celebrations, employees' bond with each other, and it is a good chance to bring out their hidden talents. Such celebrations also build team spirit and collaboration among co-workers, thus creating synergy.



CATEGORY	PILLAR OF OUR STRATEGY	SGD	COMMITMENT	KEY PERFORMANCE INDICATOR	2019	2020	2021	2022	
Health & Safety	OUR PEOPLE		Zero accidents, Zero occupational illness	FR1 (Lost time injury rate for direct workforce)	2.5	3.41	3.28	2.78	
				LTA + NLTA (Lost time accident + non lost time accident)	27	32	30	32	
Career Management & Training			Attract, develop and retain our talents	Attrition rate	7.40%	10.40%	7.60%	6.80%	
				Average hours of training per year per employee	28.25	18	25.9	25.8	
Social Dialogue & Diversity			Equal employment and promotion opportunities	% of the total workforce covered by a formal collective agreement	73%	73%	38.00%	39%	
				% of women in top management position	32%	28%	32%	22%	
				% of women employed in relation to the whole organization	39%	37%	38%	35%	
Quality of Service & Competitiveness		OUR BUSINESS VALUES		Zero non conformity	OTIF 1 (On-time-in-full-delivery)	99.30%	98.80%	97.30%	97%
					Customer claims total number vs previous year	-14%	-3%	-21%	+4%
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	96%	98%	98%	15,6%
	Number of receivable alerts received through the whistleblowing hotline				0	0	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%	100%	100%	
				% of critical suppliers assessed through Dow Jones	N.A.		17%	10%	
Energy consumption and Greenhouse gases	OUR ENVIRONMENTAL ASPECTS			Improve energy efficiency and tackle Climate Change	Annual GHG emissions (scope 1 & 2) Location based	216495	215 594	203 966	217 057
					Overall Energy consumption		789 589	703 081	736 809
					Annual GHG emissions (scope 1 & 2) Market based	-	217 817	207 046	218 590
					GHG emissions (scope 1 & 2) per melted tons of glass	0.765		0.814	0.743
		GHG emissions (scope 1 & 2) per €k generated			0.639		0.628	0.522	
Reuse, waste and water		Optimize water use, reduce waste generation and abolish waste to landfill	Water consumption relative to production (melted tons)	2.5	2.19	2.41	1.69		
			Waste recycling rate (recycled waste / total amount of waste generated)	41%	34%	76%	79%		
Local and accidental pollution		Having a positive impact on our local environment	Total amount of NOx		245.9	357	271.5		
			Total amount of SOx		225	233.7	275.7		

GLOBAL

REPORTING INITIATIVE EQUIVALENCE TABLE

GRI 1: FOUNDATION

STATEMENT OF USE

SGD Pharma reported in accordance with the GRI Standards for the period January 1ST 2022 – December 31ST 2022

GRI USED

GRI 1: Foundation 2021.



STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
GRI 2: General Disclosure			
2-1	Organizational details	-	82, 84
2-2	Entities included in the organization's sustainability reporting	Business Model	5, 82
2-3	Reporting period, frequency and contact point	Global Reporting Initiatives Equivalence Table	76, 2-3c: June 23, 2023
2-4	Restatements of information	Our Environmental Aspects	51, 54
2-5	External assurance		Our GRI Index is not externally assured. Information on assurance for our GHG Scope 1 & 2 Emissions can be found in our Impact Report on the page 55
2-6	Activities, value chain and other business relationships	Business Model	5
2-7	Employees	Business Model, Our People	5, 11, 12
2-9	Governance structure and composition	Business Model	5
2-12	Role of the highest governance body in overseeing the management of impacts	Business Model, Our Business Values	4, 5, 32
2-17	Collective knowledge of the highest governance body	Business Model, Our Environmental Aspect	9, 10, 54
2-22	Statement on sustainable development strategy		
2-23	Policy commitments	Our people, Our business values	25, 42, 44, 47
2-24	Embedding policy commitments	Our people, Our business values	24, 26, 28, 44, 45, 47,
2-25	Processes to remediate negative impacts	Our people, Our business values, Our Environmental Aspects	24, 26, 27, 40, 50, 54, 58, 60, 61, 63, 67, 69
2-26	Mechanisms for seeking advice and raising concerns	Our business values	43
2-27	Compliance with laws and regulations	Our business values	42
2-28	Membership associations		2
2-29	Approach to stakeholder engagement	Our environmental aspects, Our local initiatives	15, 16, 17, 18, 19, 21, 47, 67, 69, 71, 72, 73, 74
2-30	Collective bargaining agreements	Our people	18

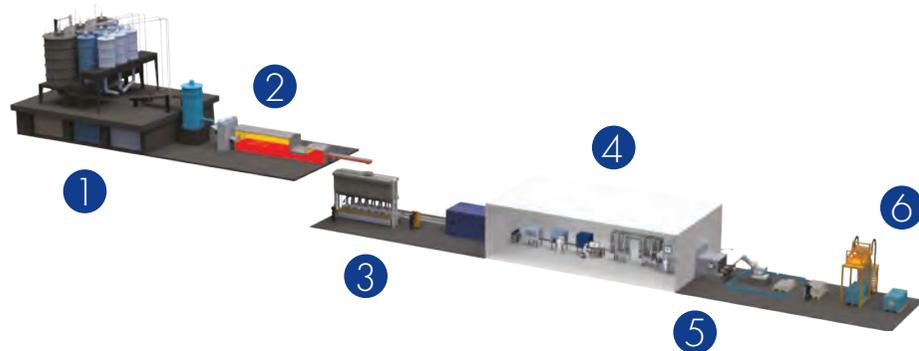
STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
GRI 3: Material Topics			
3-1	Process to determine material topics	Business Model	9, 10
3-2	List of material topics	Business Model	10
3-3 a	Management of material topics	Business Model	9, 10
201. Economic Performance			
201-1	Direct economic value 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, 62
205. Anti-corruption			
205-1	Operations assessed for risks related to corruption	Our business values	40, 42
205-2	Communication and training on anti-corruption policies and procedures	Our business values	42, 43
205-3	Confirmed incidents of corruption and actions taken	Our business values	40, 41
206. Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our business values	40
302. Energy			
302-1	Energy consumption within the organization	Our environmental aspects	51, 60, 75
302-4	Reduction of energy consumption	Our environmental aspects	51, 60, 75
303. Water and Effluents			
303-1	Interactions with water as a shared resource	Business Model	11, 51, 63, 75
303-5	Water consumption	Our environmental aspects	51, 75
304. Biodiversity			
304-2	Significant impacts of activities, products and services on biodiversity	Our environmental aspects	68, 69
304-3	Habitats protected or restored	Our environmental aspects	68, 69
305. Emissions			
305-1	Direct (Scope 1) GHG emissions	Our environmental aspects	51, 56, 57, 75
305-2	Indirect energy (Scope 2) GHG emissions	Our environmental aspects	51, 56, 57, 75
305-3	Other indirect (Scope 3) GHG emissions	Our environmental aspects	52, 56
305-4	GHG emission intensity	Our environmental aspects	51, 75
305-5	Reduction of GHG emissions	Our environmental aspects	54, 55, 58, 60, 61, 66, 67

STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our environmental aspects	51, 75
306. Waste 2020			
306-1	Waste generation and significant waste-related impacts	Our environmental aspects	51, 63, 64, 66, 67
306-2	Management of significant waste-related impacts	Our environmental aspects	51, 63, 64, 66, 67
308. Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Our business value	47
403. Occupational Health & Safety			
403-1	Occupational health and safety management system	Our people	24, 25, 26
403-2	Hazard identification, risk assessment and incident investigation	Our people	24, 25, 26
403-3	Occupational health services	Our people	24, 26
403-4	Worker participation, consultation, and communication on occupational health and safety	Our people, Local initiatives	27, 28, 74
403-5	Worker training on occupational health and safety	Our people, Local initiatives	27, 28, 74
403-6	Promotion of worker health	Our people	27, 28
403-7	Prevention and mitigation of occupational health and safety Impacts directly linked by business relationships	Our people	26, 28, 29
404. Training and Education			
404-1	Average hours of training per year per employee	Our people	11, 12, 75
405. Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Our people, CSR governance at SGD Pharma	4, 20
406. Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Our business values	30
413. Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Our local initiatives	72, 73, 74
414. Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Our business values	47
416. Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Our business values	35, 38

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 center of reference in the glass packaging arena.



Step 1: Batching

After incoming checks, raw materials are stored separately in silos. Glass composition is weighed, blended and introduced into 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 checked and pass through an 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

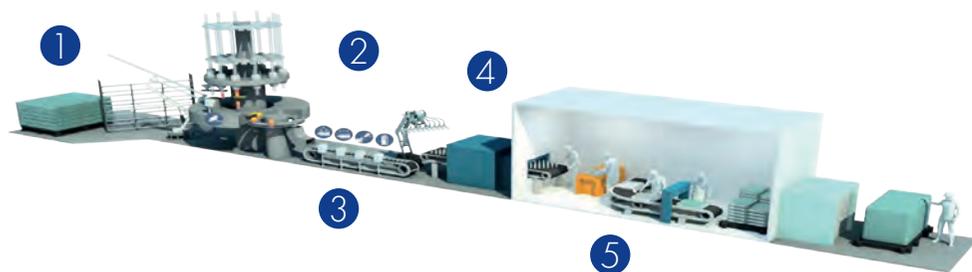
Before packing, all vials and bottles are turned upside down and blown in the clean room to minimize risk of the presence of loose particles. Shrink-wrapped pads are formed inside the clean room for maximum cleanliness. Automated palletization offers consistency and eliminates the need for human manipulation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

FOR TUBULAR GLASS



Step 1: Tube Feeding

The raw materials 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 a 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 annealinglehr 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

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.

Conflict Minerals

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

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.

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.

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 a utility provider.

Scope 3 emissions

Scope 3 GHG emissions are all indirect emissions (not included in Scope2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. CO₂ eq
The "CO₂ equivalent" (CO₂ eq) is a unit for comparing the impacts of these different GHGs in terms of global warming and being able to combine their 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.

UN Global Compact

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



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