

SUSTAINABILITY



REPORT 2024

SUMMARY	2024			
	1.GENERAL INFORMATION	2.OUR ENVIRONMENTAL ASPECTS	3.OUR SOCIAL PERFORMANCE	4.OUR BUSINESS VALUES
	<p>Page 07</p> <p>1.1. ESRs 2 - BP-1   GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY REPORT</p> <p>Page 09</p> <p>1.2. ESRs 2   GOV-1 – BOARD COMPOSITION</p> <p>Page 13</p> <p>1.3. ESRs 2   GOV-2 – INFORMATION PROVIDED, AND SUSTAINABILITY MATTERS ADDRESSED BY SGD PHARMA ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</p> <p>Page 15</p> <p>1.4. ESRs 2   GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES</p> <p>Page 17</p> <p>1.5. STRATEGY, BUSINESS MODEL AND VALUE CHAIN</p> <p>Page 25</p> <p>1.6. ESRs 2   SBM-2 – INTERESTS AND VIEWS OF OUR STAKEHOLDERS</p> <p>Page 27</p> <p>1.7. ESRs 2   IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES</p>	<p>Page 38</p> <p>2.1. CLIMATE CHANGE</p> <p>2.1.1. ESRs 2   IRO-1 – Climate-related impacts, risks and opportunities</p> <p>2.1.2. E1-1 – Transition plan for climate change mitigation</p> <p>2.1.3. ESRs E1-3 – Actions and resources in relation to climate change policies</p> <p>2.1.4. ESRs E1-4 – GHG emission reduction targets</p> <p>2.1.5. ESRs E1-5 – Energy management and GHG reduction</p> <p>Page 47</p> <p>2.1. POLLUTION</p> <p>2.2.1. ESRs E2-2 – Actions and resources related to pollution</p> <p>2.2.2. ESRs E2-3 – Targets related to pollution</p> <p>Page 52</p> <p>2.1. WATER AND MARINE RESOURCES</p> <p>2.3.1. E3-2 – Actions and resources related to water and marine resources</p> <p>2.3.2. Water Committee</p> <p>2.3.3. E3-4 – Water consumption</p> <p>Page 54</p> <p>2.4. BIODIVERSITY AND ECO-SYSTEMS</p> <p>2.4.1. E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model</p> <p>Page 57</p> <p>2.5. RESOURCE USE AND CIRCULAR ECONOMY</p> <p>2.5.1. E5-5 – Resource outflows</p>	<p>Page 63</p> <p>3.1. OUR WORKERS</p> <p>3.1.1. S1-6 – Characteristics of our employees at the end of 2024</p> <p>3.1.2. S1-8 – Collective bargaining coverage and social dialogue</p> <p>3.1.3. S1-9 – Diversity metrics</p> <p>3.1.4. S1-10 – Adequate wages</p> <p>3.1.5. S1-11 – Social protection</p> <p>3.1.6. S1-12 – People with disabilities</p> <p>3.1.7. S1-13 – Training and skills development metrics</p> <p>3.1.8. S1-15 – Work-life balance</p> <p>3.1.9. S1-2 – Processes for engaging with our workforce and workers</p> <p>3.1.10. S1-14 – Health and safety metrics</p> <p>3.1.11. S1-5 – Targets related to managing material negative impacts related our own workers</p> <p>3.1.12. ESRs S1-17 – Incidents, complaints and severe human rights impacts</p> <p>Page 83</p> <p>3.2. WORKERS OF THE VALUE CHAIN</p> <p>Page 89</p> <p>3.3. AFFECTED COMMUNITIES</p>	<p>Page 99</p> <p>4.1. BUSINESS CONDUCT</p>
				APPENDIX
				GLOBAL REPORTING INITIATIVE
	02			



KEY FEATURE AND HIGHLIGHTS OF 2024



87 / 100

EcoVadis Platinum medal



B B -

CDP Climate CDP Water



10 000

mangrove trees planted in China



100 %

of our glass manufacturing plants are certified to ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System) and ISO 50001 (Energy Management System)



1000

days with no accidents achieved in Zhanjiang, China



Engagement survey deployed in all our geographies



SBTi approved our short-term decarbonization targets (to a 1.5° scenario)



Climate action award by PAI Partners





OLIVIER ROUSSEAU  
CEO of SGD Pharma

*Dear colleagues, partners, and stakeholders,*

2024 marks a decisive milestone in our unwavering commitment to sustainability. Sustainability is at the core of everything we do, and both our industrial and commercial strategies are embedding our sustainability vision. This report reflects our significant strides across the environmental, social, and ethical dimensions, further strengthening our leadership position in the pharmaceutical glass industry. We take pride in demonstrating once again that our responsible vision not only drives our actions but also strengthens our role as a model in an ever-evolving sector.

**ENVIRONMENT: STRENGTHENED AMBITIONS**

We have taken a major step forward in our decarbonization efforts. Our targets, approved by the Science Based Targets Initiative (SBTi), aim for a 42% reduction in Scope 1 & 2 emissions and a 25% reduction in Scope 3 emissions by 2030, based on 2022 levels. These commitments are aligned with a trajectory to limit global warming to 1.5°C.

In 2024, we raised the bar even higher by defining new decarbonization targets, more ambitious than our previous ones, while reaffirming our commitment to maintain our SBTi validation.

Our efforts have been recognized with a CDP Climate score of B and a CDP Water score of B-, reflecting our transparency and tangible actions on water and climate management. Additionally, we were honored with the PAI Climate Action Award, highlighting our leadership in the energy transition. In terms of biodiversity, we planted 10,000 mangrove trees in China, in partnership with the Zhanjiang Mangrove Protection Association, contributing to the restoration of coastal ecosystems.

**SOCIAL: STAYING FOCUSED ON SAFETY, HEALTH AND WELLBEING OF OUR EMPLOYEES**

In 2024, we defined our Group HR Policy containing six important commitments with our people. The first of them is to offer all our employees a safe work environment.

At the end of the year, we launched Your Voice, our engagement survey, in India, and 100% of our employees are now covered by an engagement survey, with the ability to evaluate and give feedback on the way we work together and the way we manage the company. Our focus is now to deploy the relevant action plans everywhere to address the results of the survey and further improve engagement.

2024 has been an important year for training with an effort towards our managers: we initiated a program on performance management and talent development covering the top 120 managers of the Group. We also initiated a new management training curriculum to be rolled out throughout the Group from 2025 on.

As part of our ongoing commitment to gender equality and inclusion, SGD Pharma participated in the He for She event held in China in early 2024 and organized by the ONU. This high-level event brought together business leaders and institutional representatives to promote equal opportunities for men and women. On this occasion, we highlighted our progress in closing the gender gap in APAC, both in terms of opportunities and salaries. We also conducted a comprehensive living wage analysis across all our locations, ensuring fair remuneration for all employees. This work lays the foundation for additional Group-level social initiatives currently under development.





**GOVERNANCE: ETHICS AND INTEGRITY ARE CORE VALUES FOR MANAGING OUR BUSINESS**

We have strengthened our compliance framework with the implementation of an anti-corruption risk mapping and a business ethics training campaign, aimed at raising awareness of ethical issues across the organization. This anti-corruption mapping represents a key step in identifying potential ethical vulnerabilities and strengthening our overall integrity framework.

Our sustainable procurement policy was highlighted during our Supplier Day in Europe, where we brought together nearly 100 stakeholders to promote sustainable practices within our supply chain. This event also allowed us to award 18 sustainability certificates to our most engaged suppliers.

In parallel, we conducted a Double Materiality Assessment in collaboration with an independent third party. This in-depth analysis enabled us to identify our most significant impacts, risks and opportunities related to sustainability. As a result of this work, we will voluntarily publish our first sustainability report aligned with the Corporate Sustainability Reporting Directive (CSRD) in 2025, ahead of regulatory requirements.

**A SUSTAINABLE STRATEGY, A SHARED FUTURE**

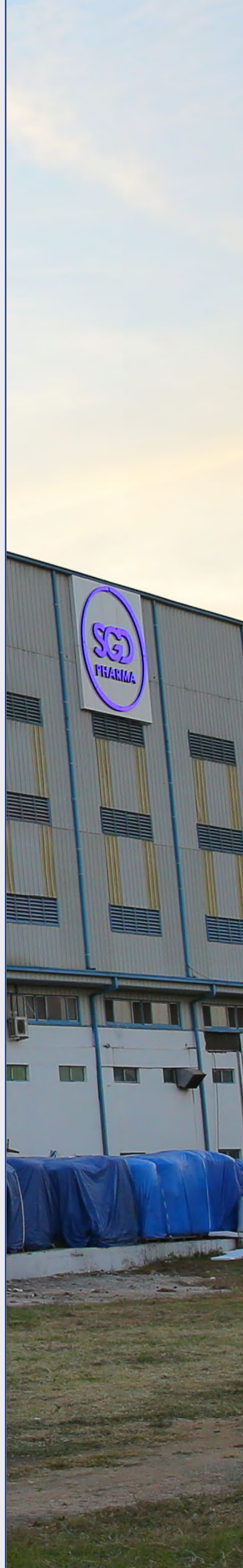
These achievements are the result of collective efforts driven by all our teams and partners. They illustrate our vision of a responsible, innovative company focused on the future. Our Group’s performance has also been recognized with an outstanding EcoVadis score of 87/100, earning us the Platinum medal and placing us among the top 1% of companies worldwide in terms of sustainability practices.

In 2025, we will continue to push forward with our ambitious goals. All our sites are already fully certified for environmental and energy standards, and we are now aiming to plant a total of 100,000 mangrove trees in China by 2030 with the help of our partners (customers, suppliers, ...). For the fifth consecutive year, we proudly support the UN Global Compact. Since 2020, our CSR strategy has been fully aligned with its 10 principles, reflecting our deep commitment to human rights, labor standards, environmental protection, and anti-corruption. This alignment is not just a statement of intent—it’s a roadmap that drives concrete action across all our sites and operations.

I would like to sincerely thank all those—employees, partners, and stakeholders—who contribute every day to making SGD Pharma a benchmark for sustainability in our industry. Together, let’s keep pushing boundaries and accelerating the transition toward a more responsible, inclusive, and environmentally resilient future.



# ESRS 2 GENERAL INFORMATION





FRAMEWORKS AND DATA SELECTION

SGD Pharma’s Sustainability Report 2024 is an exercise of future alignment with the European Union’s Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), while also complying with other relevant regulations. We continue to adhere to the Global Reporting Initiative (GRI) Universal Standards 2021, a globally recognized framework for transparent sustainability reporting that ensures accountability in our environmental, social, and governance (ESG) indicators.

The report reaffirms SGD Pharma’s dedication to sustainable development and highlights our continued support for the 10 Principles of the United Nations Global Compact, covering human rights, fair labor practices, environmental responsibility, and anti-corruption. Furthermore, SGD Pharma remains fully committed to the United Nations Sustainable Development Goals (SDGs), reinforcing our dedication to ethical business practices and long-term sustainable growth.

Our environmental sustainability goals have been developed with reference to peer benchmarks, aligning our approach with industry best practice. We are committed to minimizing carbon emissions, enhancing sustainable practices across our entire value chain, and promoting eco-friendly pharmaceutical packaging solutions.

All greenhouse gas (GHG) emissions data – covering Scopes 1, 2, and 3 – are reported in accordance with the Greenhouse Gas Protocol. Our measurement basis and accounting policies have been applied consistently across all reporting period, unless otherwise specified. Key figures and ratios are presented in the relevant sections of the report to ensure clarity and comparability.

Moreover, our decarbonization objectives are aligned with the Science Based Targets initiative (SBTi), reinforcing our commitment to measurable climate action. This year’s report is centered on a double materiality assessment conducted during 2024, reflecting the key ESG issues most relevant to SGD Pharma. It also outlines our strategy, objectives, and activities across three main pillars: Our People, Our Business Values, and Our Environmental Commitments. In preparing this report, the SGD Pharma Executive Committee has entrusted the Sustainability team and ESG topic owners with overseeing its development. We have meticulously ensured that the processes for selecting information, as well as the methods for measurement, calculation, and estimation, meet the highest standards of accuracy and integrity.







REPORTING PERIOD AND SCOPE

Published in **July 2025** and presented in **English**, this report is intended to make **sustainability information** regarding the year 2024 accessible to all our **stakeholders**, reinforcing **SGD Pharma’s ongoing commitment** to **transparency** and **stakeholder engagement**.

We have designed our **sustainability report** to openly share our **progress, challenges, and future commitments** toward **sustainable development**. It provides a detailed overview of our **sustainability journey** for the reporting period of **1 January to 31 December 2024**.

This Sustainability Report aligns with the scope of our **consolidated financial statements**, encompassing data and activities across all **operational sites** and **offices of SGD Pharma Group**.

It represents the **parent company, SODA SAS**, including its **plants** and **subsidiaries** under **operational control**, as well as our **value chain** concerning **upstream** and **downstream activities**.

We have **renewed** our **decarbonization targets** and established **2022** as the **baseline year** for SGD Pharma’s absolute **GHG emissions targets** across Scopes 1 and 2, aiming for reductions of **42% by 2030** and **65% by 2040** compared to this baseline. Additionally, SGD Pharma introduces its first **Scope 3 reduction target**, aiming to reduce emissions by **25% by 2030** with **2022 baseline**. Targets, committing the reduction by 2030 **were approved by SBTi (1.5° scenario)**. All **KPIs** have been reported for 2024 and the **five preceding years** to provide a comprehensive view of our **sustainability progress**.



OUR EXECUTIVE COMMITTEE



**OLIVIER ROUSSEAU**  
CEO



**FREDERIC BARBIER**  
General Manager  
China & Asia Pacific



**FABIO INVERNIZZI**  
General Manager  
West



**DEEPAK SOOD**  
General Manager  
India



**CAROLE GRASSI-MIRCICH**  
Chief Commercial Marketing  
& Innovation Officer



**ERIC DANIEL**  
Chief Operations  
Officer



**PIERRE-MICHEL BATAILLARD**  
Chief Human  
Resources Officer



**PHILIPPE POURQUERY**  
Chief Financial  
Officer



**CAROLINE FUNCK**  
Group General Counsel



SGD PHARMA	ESRS 2 - GOV-1   BOARD COMPOSITION										2024
OUR EXECUTIVE COMMITTEE May 2025											
	Full name of the ExCo member	Sex	Nationality	Age	Seniority	Role	Member of audit committee	Member of sustainability governance	Governance Strategy	Expertise and skills, experience relevant to the sector (Glass manufacturing)	Sustainability skills and/or access to sustainability trainings
	Olivier ROUSSEAU	M	France	56	2,5 years	CEO	Yes	Yes	Yes	Yes	Yes
	Fabio INVERNIZZI	M	Italy	50	1 year	BU West GM	No	Yes	Yes	No	Yes
	Carole GRASSI	F	France	49	8 years	CCMIO	No	Yes	Yes	Yes	Yes
	Pierre-Michel BATAILLARD	M	France	61	9 years	CHRO	No	Yes	Yes	No	Yes
	Caroline FUNCK	F	France	48	3 years	Group General Counsel	No	Yes	Yes	No	Yes
	Eric DANIEL	M	France	58	3 months	COO	No	Yes	Yes	Yes	Yes
	Deepak SOOD	M	India	55	9 months	BU India GM	No	Yes	Yes	No	Yes
	Frédéric BARBIER	M	France	50	25 years	BU APAC GM	No	Yes	Yes	Yes	Yes
	Philippe POURQUERY	M	France	53	1 year	CFO	Yes	Yes	Yes	No	Yes



Full name of the Board member	Sex	Nationality	Age	Role	Member of audit committee	Independant member	Governance Strategy	Expertise and skills, experience relevant to the sector (Glass manufacturing)	Sustainability skills and/or access to sustainability trainings
Laurent RIVOIRE	M	France	57	Chairman of the Board	No	No	Supervisory role	Professional investor, numerous leveraged buy-outs	
Jeremie MASSET	M	France	38	Supervisory Board Member	Yes	No	Supervisory role	Professional investor, numerous leveraged buy-outs	Decarbonization task force
Henri TARBOURIEH	M	France	34	Supervisory Board Member	No	No	Supervisory role	Professional investor, numerous leveraged buy-outs	
Benoist de SAINT-LAGER	M	France		Supervisory Board Member	No	No	Supervisory role		
Olivier ROUSSEAU	M	France	56	Supervisory Board Member	Yes	No	Supervisory role	Yes	Yes
Ashok SUDAN	M	USA	72	Independant Board Member	Yes	Yes	Supervisory role		
Sebastian VAN BUIJTENEN	M	Netherlands	58	Independant Board Member	No	Yes	Supervisory role		





SGD Pharma operates under a **unitary board structure**, known as the **Executive Committee (ExCo)**, which consists of **nine members**. While there is **no direct employee representation** during ExCo meetings, the **Chief Human Resources (HR) Officer** is responsible for **social aspects** within the company. **Two members of labor unions** attend **Board meetings**.

The **ExCo members** have **extensive expertise** in **pharmaceutical glass manufacturing**. All members undergo **regular training** on **climate-related topics and ethics**, including **corruption, bribery, and fraud prevention**.

**Sustainability governance** is managed **collectively** by the **ExCo**. Specific responsibilities are assigned as follows:

- The **Chief HR Officer** oversees the **Social Pillar**.
- The **General Counsel** is responsible for the **Ethics Pillar**.
- With the support of **Quality and Corporate Social Responsibility (CSR) Director**, the **Environment, Health and Safety (EHS) Director** and the **Purchasing Director**.
- The **ExCo** conducts **quarterly reviews** of the **ESG action plan** to assess **progress**.

**Sustainability governance** is supported by key policies, including the company’s **CSR Policy**, **Health-Safety-Environment and Energy (HSEE) Policy**, **Human Resources (HR) Policies**, and **Ethics and Compliance (E&C) Policies** on **anti-corruption, anti-fraud, competition law & privacy law**.

In 2024, **The Quality and CSR Director** was responsible for overseeing **sustainability initiatives** and reported to the **Executive Committee quarterly** alongside other topic owners and contributors, if necessary. In **2024**, SGD Pharma conducted a **double materiality assessment** to identify **sustainability-related impacts, risks, and opportunities**, using the results to **guide strategic actions**.

**Sustainability targets** are reviewed during **quarterly ESG action plan assessments**. Progress is monitored through internal follow-ups and **external assessments** by organizations such as **EcoVadis, CDP, and the SBTi**.



At SGD Pharma, sustainability management is one of our top priorities.

It is overseen by CEO Olivier Rousseau and the Executive Committee, who serve as both the highest governance body and as members of the Sustainability Committee. They meticulously review the company’s ESG roadmap annually, ensuring alignment with the company’s sustainability goals. They collaborate closely with leaders of SGD Pharma’s CSR pillars, including all CSR topic owners, contributors and CSR team, to oversee the implementation of sustainability initiatives.

All contributors, including ExCo members, involved directly or indirectly in the ESG action plan have part of their remuneration linked to sustainability performance. Through this collaborative approach, SGD Pharma remains committed to driving positive environmental and social impact while upholding the highest standards of corporate governance and ethical conduct. At a working level, the Group CSR Coordinator was managed by the Group Quality and CSR Director in 2024. He reports to the COO and ensures the implementation of sustainability initiatives and related reporting.

	EXECUTIVE COMMITTEE (EXCO)	GROUP MANAGEMENT (GLT – GROUP LEADERSHIP TEAM)	SENIOR AND MIDDLE MANAGEMENT
ENGAGEMENT	<p>On a quarterly basis:</p> <p>Reviews the ESG action plan and sustainability-related targets</p> <p>Reviews and approves the double materiality assessment and the annual Sustainability Reporting</p> <p>Consulting role in reference to material sustainability topics, resources, actions, policies, targets and progress towards targets.</p>	<p>On a daily, monthly and annual basis:</p> <p>Leadership in anchoring strategic directions and scope of activities</p> <p>Regular meetings with relevant senior managers responsible for material sustainability topics</p> <p>Regular monitoring of progress related to strategic sustainability targets</p> <p>Review of annual sustainability reporting, disclosures and external assessments</p>	<p>On a daily basis:</p> <p>Preparation of information materials on Group sustainability reporting</p> <p>Supervision, alignment and progress reporting of Group sustainability internal reporting standards, policies and definitions.</p> <p>Monthly report on safety, health and environmental performance, including data collection</p> <p>Management of human rights topics such as diversity, equality and inclusion</p> <p>Preparation of materials and documentation for Group management review</p> <p>Preparation of materials and documentation needed in the external assurance process</p>



SGD PHARMA	ESRS 2   GOV-2 INFORMATION PROVIDED, AND SUSTAINABILITY MATTERS ADDRESSED BY SGD PHARMA ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		2024
	ROLES AND RESPONSIBILITIES OF THE TOPIC OWNERS		<div> <p>SGD Pharma’s ExCo integrates <b>sustainability-related impacts</b>, risks, and opportunities into strategic decision-making, <b>major transactions</b>, and <b>risk management processes</b>.</p> <p>The <b>ExCo</b> conducts a <b>quarterly review</b> of <b>ESG action plans</b>, ensuring that sustainability considerations are embedded in <b>corporate strategy</b>.</p> <p>The <b>2024 double materiality</b> assessment identified key environmental and social risks, which are factored into business decisions to <b>mitigate negative impacts</b> while leveraging <b>opportunities for sustainable growth</b>.</p> <p>In addition, <b>major investment decisions</b> are assessed through a sustainability lens, aligning with <b>global regulatory frameworks</b> and <b>stakeholder expectations</b>.</p> <p><b>Regular reporting</b> from the <b>Quality and CSR Director in 2024</b> ensured that identified risks and opportunities influence corporate governance, reinforcing <b>SGD Pharma’s commitment to responsible and resilient business practices</b>.</p> <p>The <b>topic owners</b> reviewed their respective sections of the <b>sustainability report draft</b> and provided <b>feedback</b> to the <b>CSR team</b> to ensure consistency and alignment with <b>ESRS requirements</b>.</p> <p>The <b>CSR team</b> was responsible for writing the report and <b>collecting the necessary data</b> from the <b>topic owners</b>.</p> </div>
Ownership of the ESRS by the topic owners		<p><u>The topic owners review their assigned sections for the ESRS and:</u></p> <ul style="list-style-type: none"> <li>• <b>Evaluate</b> the expected requirements related to the ESRS.</li> <li>• <b>Validate</b> that the necessary information is included in the report.</li> <li>• <b>Estimate</b> the complexity of acquiring the information</li> </ul>	
Definition of Action Plans		<p><u>The topic owners define action plans to address ESRS data gaps by:</u></p> <ul style="list-style-type: none"> <li>• Setting ambition levels for relevant Disclosure Requirements (DRs) and specific data points.</li> <li>• Prioritizing actions to designate institutional domain ownership and identify the most sustainable improvement drivers.</li> <li>• Determine the structure and roles between DR and ESRS owners to ensure timely delivery.</li> </ul>	
Deployment of Action Plan		<p><u>The topic owners define and implement action plan by:</u></p> <p>Conducting additional analyses to ensure compliance across selected levels and dimensions (e.g., climate risks, human rights). Formalizing and organizing information.</p> <p>Coordinating the collection and consolidation of KPIs (addressing the lack of dissemination and validation of methodologies for existing indicators).</p>	
			14



SGD Pharma's sustainability performance is integrated into **incentive schemes** for **ExCo members**, **senior management**, and **employees** that are directly or indirectly involved in sustainability initiatives. The company has established a **framework** where **annual bonuses** are linked to **sustainability progress**, particularly the results of external sustainability assessments.

### KEY CHARACTERISTICS OF INCENTIVE SCHEMES

The primary **sustainability-linked** incentive at SGD Pharma is an **annual bonus** tied to the company EcoVadis assessment results and **decarbonization progress**. This mechanism ensures that sustainability performance is embedded in **financial incentives** across different levels of the organization.



Eligible participants in the sustainability-linked incentive scheme include:

- ExCo members
- Senior management
- Employees contributing to sustainability performance





SUSTAINABILITY-RELATED PERFORMANCE TARGETS

The sustainability-linked incentive scheme incorporates KPIs, with performance measured through an annual external evaluation. The primary KPI currently used is SGD Pharma’s EcoVadis rating, which assesses the company’s environmental, social, and ethical performance. In addition, SGD Pharma uses decarbonization progress as a part of annual bonuses for certain classes of company employees.

Sustainability performance directly influences 5% of the variable remuneration of eligible employees and senior management. To ensure accountability, a minimum performance threshold is set annually based on previous results. This threshold must be met for sustainability-related bonuses to be granted.

GOVERNANCE AND APPROVAL

The sustainability-linked incentive scheme was defined by the Quality and CSR Director and approved by the ExCo. These schemes are reviewed and updated annually to align with evolving sustainability goals and external expectations.

The integration of sustainability into incentive structures has significantly influenced SGD Pharma’s corporate strategy and decision-making processes. By linking financial rewards to sustainability, performance, the company has:

- Increased focus on sustainability projects and achieving ESG targets
- Strengthened engagement of senior management and the ExCo in sustainability matters
- Enhanced transparency and accountability in sustainability reporting
- Improved external evaluation scores, reinforcing SGD Pharma’s reputation in the industry

By embedding sustainability into its incentive structures, SGD Pharma ensures that ESG considerations remain a core part of its corporate culture and long-term strategic direction.





OUR VALUE CREATION

SGD Pharma is a **leader in the glass pharmaceutical** primary packaging industry and is positioned as a **premium player**. Our **strategy** is to defend and reinforce **our leadership position in molded glass vials**. We aim to grow in **high-value segments** by concentrating our efforts on:

- The **quality** of our products
- **Service** to our customers
- **Innovation** in both products and processes
- Delivering an **ambitious sustainability roadmap**.



We are committed to **protecting and improving patient health** by providing **high quality, reliable** and **innovative products** to our customers in the **pharmaceutical industry**. Part of our **mission** is making **patient health** our top priority when we make decisions.

All **employees** and **external contributors** work to meet **SGD Pharma quality objectives**. Each participant involved in the **production** of our **glass vials, bottles and ampoules** is held directly **responsible** for the **quality** of the product being made. With more than **100 years of know-how** inherited from our parent company **Saint-Gobain**, SGD Pharma is **renowned worldwide** for setting the **technical gold standard in glass packaging**.

Serving the **demanding pharmaceutical market**, we combine **control of the glass process** with the implementation of **leading manufacturing practice** for **pharmaceutical primary packaging** in all our manufacturing facilities. This **double expertise** is the basis of our performance, confirmed by our **leading position** in the market. To achieve **operational excellence** across all our facilities, we **share best practices** and **align** our **manufacturing and quality processes**.

In 2013, SGD Pharma entered the **tubular glass market**, applying our extensive **expertise in glass processes** and our commitment to the pharmaceutical market. Our tubular glass facility is equipped with **state-of-the-art converting machines**, enabling us to meet **international standards** with **world-class tubular glass containers**. There are **no products or services** we offer that are banned in any market, allowing our business model to create **sustainable value** while maintaining **trust and integrity** across all regions.



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

FRANCE 976  
CHINA 881  
INDIA 833  
GERMANY 264  
OTHER COUNTRIES 24  
**TOTAL 2 978**  
(permanent & temporary 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
- 5 sites ISO 50001 certified
- 7 furnaces
- 1 sorting facility
- 1 decoration facility
- 10 sales offices around the world
- 90 agents and distributors

OUR BUSINESS ECO-SYSTEM



VALUE CREATED

Healthy financial results

- 2024 consolidated sales **€451M**

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

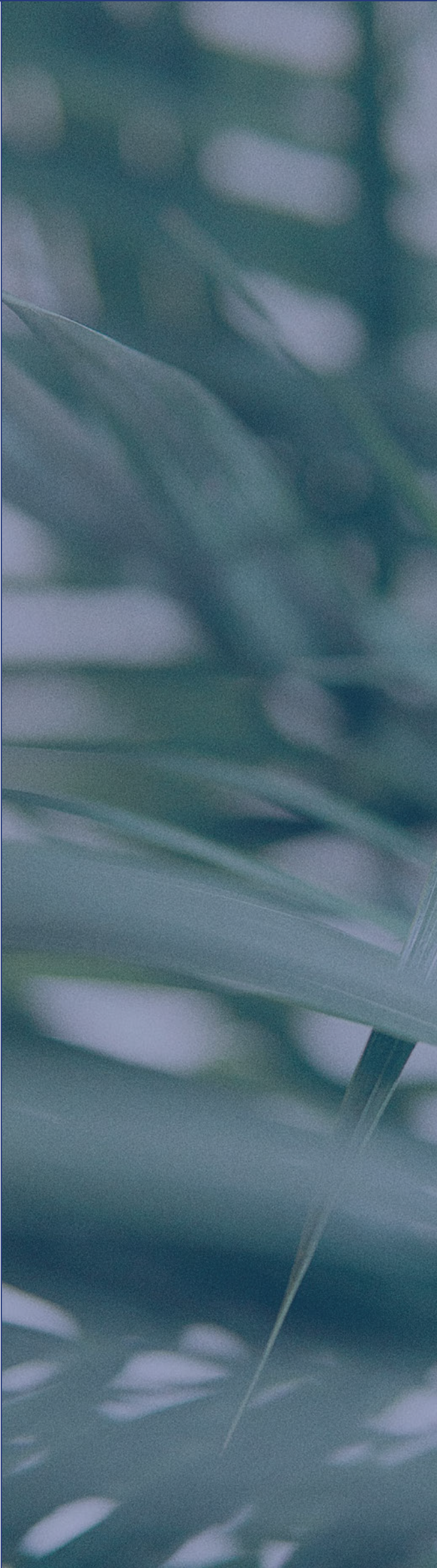
- **For our employees**  
25 hours of training per employee
- **For our suppliers**  
More than 2500 suppliers supported across 6 continents
- **For localities**  
More than 40 initiatives or partnerships with local communities in 5 countries



**GLOBAL FOOTPRINT** Knowledge and strength of our worldwide network of 90 partners and distributors









**BUSINESS MODEL INPUT AND APPROACH TO GATHERING INPUTS**

We operate in a **highly specialized industry**, producing **molded and tubular glass packaging** for the **pharmaceutical sector**. Our **key inputs** include **high-quality raw materials** such as **silica sand, soda ash, and limestone**, as well as **internally recycled cullet** from our own production processes, for some productions in our plant in China. Given the energy-intensive nature of glass manufacturing, energy - particularly from furnaces - is also a **critical input**.

We are committed to **securing these resources** through **responsible** and **long-term supplier** relationships, prioritizing **quality, reliability**, and environmental compliance. We implement rigorous supplier **assessments** and maintain **strict quality** controls to ensure the consistency and safety of all inputs. To support our **sustainability goals**, we actively seek **energy efficiency measures** and low-carbon alternatives across our supply chain.

**PRODUCTS AND VALUE DELIVERED TO STAKEHOLDERS**

Our **primary outputs** are **high-quality pharmaceutical-grade** glass containers, including **vials, bottles, and ampoules**. These products are **critical** to ensuring the **safety, stability, and efficacy** of **medicines and vaccines** for **global healthcare providers** and **patients**. For our **customers**, we deliver **value** through **product integrity, regulatory compliance, and reliable delivery**. For investors, **our commitment to innovation and sustainability** strengthens **long-term resilience** and **competitiveness**. For other **stakeholders**, including **employees** and **communities**, our efforts create **positive outcomes** through **job creation, skill development, and environmental responsibility**. Looking forward, we aim to **increase the sustainability** of our outputs by integrating more **eco-design principles, optimizing energy use**, and expanding our use of **clean technologies** to **reduce our carbon footprint**.





OUR VALUE CHAIN ECOSYSTEM AND KEY STRATEGIC PARTNERSHIPS

We are positioned at a **very important point** in the **pharmaceutical packaging value chain**—supplying **primary glass containers** used directly in the **packaging** and **delivery** of **medications**.

**Upstream**, we work closely with **key suppliers** of **raw materials** and **equipment**, many of whom are **longterm partners** committed to quality and **high environmental standards**.

**Downstream**, our **customers** include **global pharmaceutical** companies, **biotech firms**, and healthcare institutions who rely on our packaging to meet stringent regulatory and performance requirements.

**Distribution** is managed through a combination of **direct relationships** and logistics partners to ensure timely and **secure delivery** across **international markets**.

We maintain **close, collaborative relationships** with both **upstream** and **downstream actors** to ensure alignment with our **sustainability objectives** and to **adapt** to **evolving regulatory** and market **expectations**.

OUR SUSTAINABILITY STRATEGY AND GOALS

**Our CSR approach is based on three pillars:**  
Our people, Our business values and Our environmental aspects



**OUR PEOPLE**  
Health and Safety  
Career management and training  
Social dialogue and diversity



**OUR BUSINESS VALUES**  
Quality of service and competitiveness  
Business Ethics  
Sustainable Procurement



**OUR ENVIRONMENTAL ASPECTS**  
Energy consumption and Greenhouse gases emissions  
Water and Waste management  
Local and accidental pollution



### SGD PHARMA’S SIGNIFICANT PRODUCTS, MARKETS, AND CUSTOMERS IN RELATION TO OUR SUSTAINABILITY-RELATED GOALS AND STRATEGY

We are committed to **growing** SGD Pharma’s business while contributing to the **sustainable development** of society. Our core products - molded and tubular glass containers for pharmaceutical use - are essential to the **safe storage** and **delivery** of healthcare solutions. These products are designed with **durability** and **recyclability** in mind, aligning closely with our **sustainability targets**.

SGD Pharma primarily serves the **pharmaceutical** and **healthcare** industries across **international markets**, with a strong presence in **Europe, Asia, and North America**. Our customer base includes **pharmaceutical manufacturers, biotech firms, and healthcare providers** who prioritize **product safety** and **environmental responsibility**. These markets increasingly demand sustainable packaging solutions that meet stringent **environmental** and **ethical standards**.

In response, we have aligned SGD Pharma’s operations with **ESG principles**. Since 2018, we have focused on key **CSR pillars** — developed through materiality analysis — that address SGD Pharma’s most significant **sustainability challenges** and **stakeholder concerns**.

We recognize that our **value creation** and business model are continuously challenged by our **sustainability targets**, particularly concerning environmental impact. As a company focused on **glass production**, our operations inherently demand significant energy consumption, especially to power the **high-temperature furnaces** required in production.

Moreover, the strict **regulatory standards** set by agencies such as the **US Food and Drug Administration** and the European Medicine Agency for pharmaceutical glass packaging impose rigorous requirements for **purity, stability, and safety**. These conditions, along with the **risk management protocols** essential to our industry, create **limitations** when it comes to integrating **circular economy principles**, specifically the use of **external recycled materials**.

Despite these challenges, **we reuse** most of our internal cullet - **clean glass** that is recycled in-house - which allows us to **reduce energy consumption** and **reduce raw material use** without compromising **product quality** or **regulatory compliance**.

In 2023, we further reinforced this commitment by launching a comprehensive **CSR Policy** at SGD Pharma to drive **sustainable practices** across our **value chain**. This includes reducing **environmental impact**, ensuring **ethical compliance**, and promoting social responsibility throughout our operations.

Through **transparent communication** and **ongoing improvement**, we ensure that SGD Pharma’s products and services not only meet the technical and **regulatory needs** of the pharmaceutical industry but also support broader **sustainability goals**. This approach is detailed throughout this Sustainability Report.



POLICY MANAGEMENT

Each Group **policy** is written by the corresponding **head of department**. It is then revised by the Executive Committee member responsible for that department, and the CEO.

Before publication, the policy is presented to the Executive Committee for **information and review**. The final version is dated and signed by the Executive Committee member and the CEO.

**The Marketing and Communication Department** is responsible for **publishing** the policy and promoting it, internally, for example by producing posters to display the new policy. If appropriate, the head of department will arrange specific **communications and/or training**. Each department or plant head is responsible for displaying the new policy. A routine review of existing policies is set every three years to check if any updates are needed. **This revision process** is the responsibility of the head of department who issued the policy.

To formalize the **policy management process**, in 2024 a **Group Policy Governance Rules** document was drawn up that covers all existing policies at SGD Pharma and sets out the important elements of policy governance, allocation of responsibilities, and the **scope of application**.





STAKEHOLDER ENGAGEMENT

We place great emphasis on **stakeholder engagement** as a cornerstone of our **business strategy**. Recognizing the importance of fostering **mutually beneficial relationships**, SGD Pharma actively engages with a diverse range of **stakeholders**, including employees, customers, suppliers, investors, local communities, industry **organizations**, **policymakers**, and **associations**.

We integrate **stakeholder perspectives**, obtained through our active methods of engagement, into our strategy and business model **to ensure sustainable and responsible operations**. We use **open dialogue, transparent communication, and collaboration** with all our stakeholders, to help us understand and address their unique **needs, concerns, and expectations**. By incorporating **stakeholder feedback** into our **decision-making processes and business operations**, we aim to cultivate **trust**, enhance our reputation, and drive **sustainable growth**. Whether through **product innovation, employee development programs**, or community initiatives, SGD Pharma is dedicated to creating shared value and fostering **long- term partnerships** with all stakeholders.

This **continuous dialogue**, including that which underpinned our **double materiality assessment** process, informs our ESG programs, projects and initiatives. Feedback from this engagement process is shared with our **ESG governance body**, our unique **ESG organization** formed of topic owners and contributors which helps us to remain responsive to the views of our stakeholders and allows each topic leader to directly address each issue raised. Furthermore, based on stakeholder interests and views, we undertake any necessary amendments to **SGD Pharma’s strategy** and business.

This means that our approach is firmly based on **ongoing monitoring** and enhancement to enable us to remain in line with the **expectations of our stakeholders**.

SGD Pharma maintains a **long-term commitment** to addressing climate and water-related issues through active participation in discussions led by the **European Container Glass** Federation and other external stakeholders. These ongoing dialogues enable the company to contribute to **industry-wide conversations**, exchange **best practices**, and support the development of collective solutions to the environmental challenges facing **the glass manufacturing sector**.



SGD PHARMA IS ACTIVE IN THE FOLLOWING ASSOCIATIONS

- Parenteral Drug Association PDA - USA
- La Fédération des Industries du Verre - France
- Union des Industries Utilisatrices d'Énergie (UNIDEN) - France
- FEVE, The European Container Glass Federation - France, Belgium
- Observatoire des Achats Responsables (ObsAR) - France
- Bundesverband Glasindustrie - Germany
- Bundesverband Arbeitgeberindustrie Glas und Solor - Germany
- Fédération du Cristal et du Verre - France
- La Glass Vallée - France
- French Chamber of Commerce and industry - China
- Zhanjiang Mangrove Wetland Conservation Federation - China
- UN Global Compact -Worldwide
- Zhanjiang Chinese White Dolphin Conservation Association - China



Stakeholders	Our people and contractors a key group	Customers (pharmaceutical companies, healthcare, etc.) a key group	Investors	Suppliers a key group	End users (patients, healthcare providers, pharmacists)	Local communities a key group	Industry organizations, non-governmental organizations (NGOs) and associations	Policymakers and regulators
Stakeholders’ interests and reason for engagement	Employee well-being, respect for their human rights and recognition, health and safety, career development, living wages, diversity and inclusion	High-quality glass packaging, regulatory compliance, supply chain reliability, innovation	Transparent information regarding our financial and ESG performance	Raw materials and packaging sourcing, reliability, ethical business practices, CSR performance and respect for the human rights of value chain workers	Safe, high-quality pharmaceutical glass packaging, sustainability, fair prices	Environmental impact, job creation, corporate social responsibility, respect of human rights	Innovation, industry best practice, transparent reporting, regulatory standards, advocacy, benchmarks	Compliance with pharmaceutical and environmental regulations, sustainability
Engagement organization	One-to-one meetings, training programs, internal communication, workplace safety initiatives, living wage analysis, collective bargaining agreements and other agreements related to professional matters such as quality of life and working conditions, employee engagement surveys, and whistleblowing procedure.	Customer meetings during events and fairs, client feedback surveys marketing campaigns, our website, social media and other advertising methods whistleblowing procedure that is publicly available for all stakeholders	Investor ESG reporting requests, financial disclosures, Sustainability Report, investors Board meetings	Supplier sourcing procedure, supplier audits, EcoVadis score requests, internal CSR questionnaires, Supplier Code of Conduct, long-term contracts whistleblowing procedure that is publicly available to all stakeholders	Market research and development feedback from customers that are directly engaged with end users	Community projects and sustainability program, charity programs	Memberships, industry events, sustainability report, participation in discussions, joint initiatives	Regulatory filings, Compliance, discussion with the European Container Glass Association that can have an impact on regulations
Impact on operations, business model, and strategy	Increased employee retention and engagement, improved health, safety, and productivity	Continuously improved quality and innovation, strengthened market position and brand, product innovation, and customer loyalty	Increased investor confidence, access to financial help linked to sustainable development, long-term growth sustainable strategy	Secure supply chain, cost management, responsible purchasing	Improved product safety, enhanced brand reputation	Strengthened community relations, positive social impact	Enhanced influence in the industry, alignment with best practice, stronger industry representation, aligned business strategies	Market access, legal compliance, reduced regulatory risks



1.ASSUMPTIONS, INPUTS, AND SCOPE IDENTIFICATION BEEN FORMALIZED.

The SGD Pharma **double materiality** assessment was conducted during 2024, in accordance with the expectations of the ESRS, **Delegated Acts**, published in July 2023, and the **EFRAG Materiality Assessment Implementation Guidance**, the final version of which was published in May 2024.

The DMA was carried out within boundaries that capture SGD Pharma’s entire **value chain** and considers all stakeholders. It included double materiality analysis of its **supply chain** (from the extraction of **raw materials**, suppliers of **transport services**, and procurement of energy and packaging), its own operations (glass manufacturing, sorting, and decoration facilities) and **downstream activities**

(waste treatment, use and end of life of products, and transport to clients and distributors). To obtain an overview of the Group's **global context**, a **mapping** of its value chain was carried out. This highlighted the different stages of the upstream and **downstream value chain**, as well as the **stakeholders impacted** at each stage. [ See ESRS 2– SBM 1 for value chain map].

At the beginning of the DMA analysis, a list of key contacts was drawn up. These key contacts were categorized as **COPIL**, **Sponsors**, **Internal stakeholders**, topic owners and topic contributors. Their **roles** and **profiles** are described in the table below:

COPIL	SPONSORS	INTERNAL STAKEHOLDERS	TOPIC OWNERS	TOPIC CONTRIBUTORS
<p>Provide a <b>strategic vision</b> and the <b>mandate</b> to validate strategic elements:</p> <p><b>CSR issues, IROs, assessments</b></p>	<p>Validate the <b>results</b> and ensure <b>alignment</b> with the overall <b>strategy</b>.</p>	<p>Contribute to and <b>validate</b> the <b>assessment of IROs</b></p>	<p>Take <b>ownership</b> and <b>acquire skills</b> regarding the ESRS and the gap between the current CSR report and <b>CSRD expectations</b> to define an action plan for each <b>Material ESRS</b> and coordinate its deployment</p>	<p>Acquire <b>skills</b> regarding the ESRS and the gap between the current CSR Report and <b>CSRD expectations</b> to support topic owners in the definition and deployment of <b>action plans</b>.</p>

We provided the third party we coordinated with for the DMA with a range of data, policies, risk assessment documentation, information about our daily operations and the scope of operations covered in the analysis. In addition, the third party contributed sectoral benchmarks.





2.IDENTIFICATION OF SUSTAINABILITY ISSUES AND THE ASSOCIATED IMPACTS, RISKS, AND OPPORTUNITIES

The initial step involved **identifying** a list of **sustainability issues**, faced by the SGD Pharma, to allow a comparison with peers, ensure **continuity with existing** practices and facilitate the identification of interlocutors for the **consultation phase**. The primary list was based on:

- The sustainability issues included in **Appendix A to ESRS 1, CSRD**
- **SGD Pharma’s public and internal documentation**
- **Benchmark analysis**
- A standard benchmark analysis (**SASB, FEVE, ENCORE Database**)

As a result of this work, an initial list of **ESG matters** was determined by the third party and validated by the project team and sponsors. This was cross-referenced with the topics covered by the ESRS standards. For each ESG matter, a list of **impacts, risks, and opportunities** (IROs) was prepared. This list of IROs forms the foundation for assessing both **impact materiality** and **financial materiality**. The process can be summarized as follows:

**SGD Pharma’s project COPIL** reviewed the IRO list proposed by the third party and requested amendments, which were subsequently made by the third party.

The following assumptions were adopted when the list of IROs was compiled:

The listed IROs are considered at the ‘**gross**’ **level**, meaning the third-party **does not take into account any action plans** implemented by the company to manage structural impacts (which would be integrated at a ‘net’ level), whether positive or negative. That is, **a negative impact** must be identified and assessed without considering the action plans deployed to prevent, mitigate or remedy it. Risks and opportunities often arise from impacts. Therefore, for each impact, the question of the ‘**counterpart**’ in terms of risk or opportunity must be systematically considered. However, this correlation between impacts and risks and opportunities **is not always consistent**.

Although the IROs must consider all the topics and sub-topics within the ESRS, there **is no obligation to be exhaustive**. Some sub-topics have therefore been excluded at this stage and considered non-material because no IRO has been identified in connection with SGD Pharma’s scope and activities. For example, it was agreed with the members of the project team and the COPIL to exclude from the analysis the sub-topic ‘**Animal welfare**’, referred to by the ESRS G1 relating to business conduct, because the company’s business does not involve activities that directly impact animal welfare.

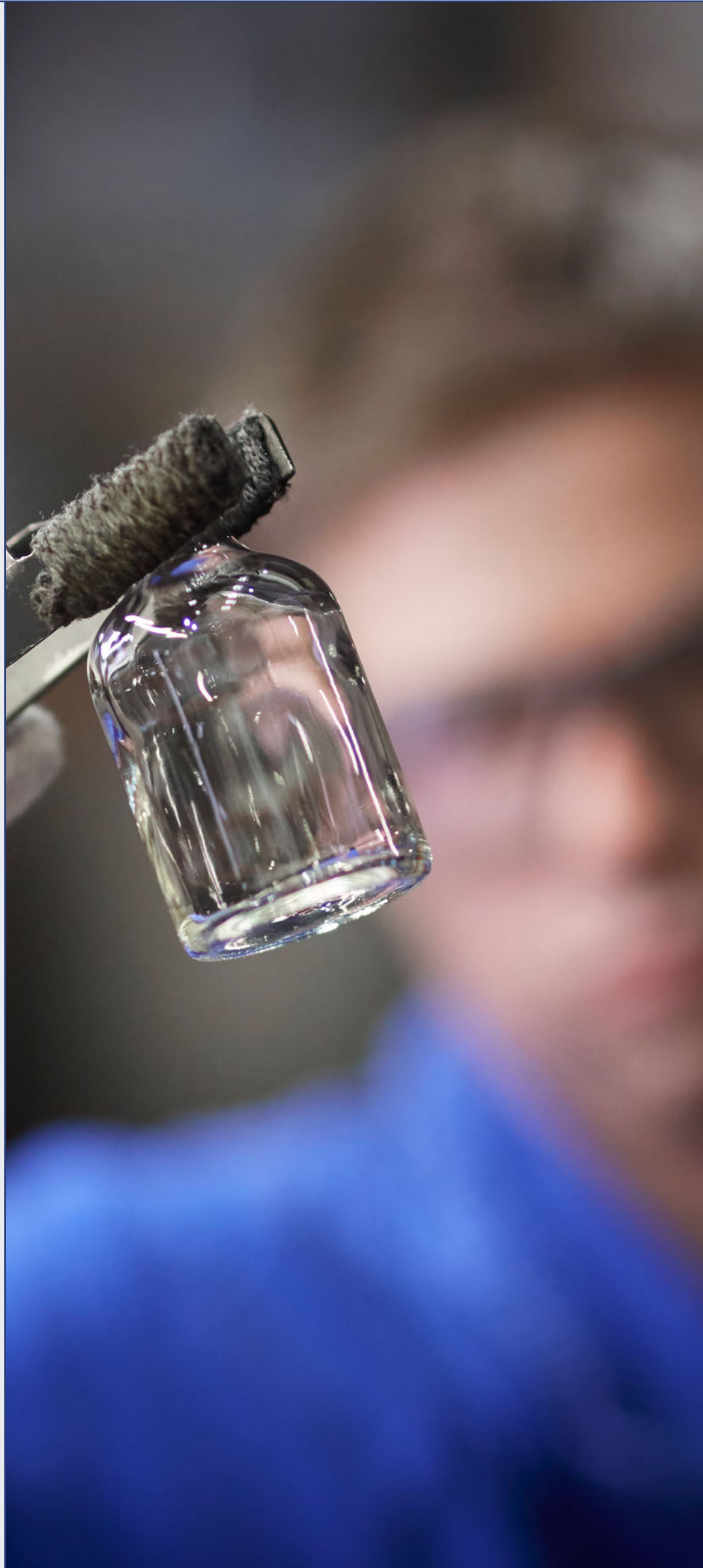


3.IMPACT ASSESSMENT

ESRS 1 defines the **scoring criteria** as follows: “A sustainability topic is material from the point of view of impact when it concerns the actual or potential, **positive or negative**, material impacts of the company on people or the **environment** in the short, medium or long term. Impacts include those related to the company's own activities and its upstream and downstream value chain, including through its products and services, as well as its **business relationships**.” To quantify impacts, a **four-level evaluation** scale was developed for all the criteria required by the ESRS.

To what extent the negative/positive impact is harmful/beneficial to stakeholders ?	SCALE	Low	Low impact on stakeholders and/or the environnement
		Moderate	Moderate impact on stakeholders and/or the environnement
		Significant or severe	Significant or severe impact on stakeholders and/or the environnement
		Maximum	Maximum or catastrophic impact on stakeholders and/or the environnement
What would be the range of the impact on the affected population and ecosystems ?	SCOPE	Limited	Very located impact/ few or no people affected
		Medium	Regional impact / a few people affected
		Widespread	National impact / many people affected
		Global	Global impact / very large number of people affected
Is it possible to repair the resulting damage ? is the impact reversible ?	IREMEDIABILITY	Completely	Impact completely and easily reversible / reparable in the short term
		Potentially	Impact potentially reversible/repairable, in the short or medium term but uncertainty about the ability to repair the situation completely or about the means to be deployed
		Hardly	Impact hardly or only partially reversible/repairable, and only in the medium or long term. significant financial and/or technical effort required.
		Irreversible / Irreparable	Irreversible or irreparable impact, despite allocating significant technical and financial resources or only in the long term.
What is the impact's probability of occurrence ?	LIKELIHOOD	Rare or very unlikely	Probability of occurrence between 0 and 20%
		Unlikely	Probability of occurrence between 20 and 50%
		Likely	Probability of occurrence between 50 and 80%
		Almost certain/certain	Probability of occurrence between 80 and 100%
How will the impact evolve over the long term (5 years) ?	IMPROVE-MENT	No	Reduced impact in the long term (severity and/or probability will decrease)
		Equivalent	Unchanged impact in the long term (severity and probability remain the same)
		Yes	Increase impact in the long term (severity and/or probability will increase)





Several impact assessment workshops were organized and run by SGD Pharma’s Quality & CSR Director and CSR Coordinator, with one workshop carried out per ESRS topic, to cover all sub-topics. The assessment was conducted on a ‘gross’ versus ‘net’ basis, meaning that the mitigation measures put in place were not considered.

For example, when assessing the impact of a value chain on the environment in terms of GHG emissions, it was assumed that the company has not put in place measures to reduce these emissions.

1

Impacts related to the Environmental pillar:

Scope:

The assessment is based on the geographical dimension (very localized impact, on a regional, national or global scale).

Long-term aggravation/improvement:

Among the factors aggravating or improving the impact in the medium/long term (beyond two years), the presumed effects were considered of existing regulations or those under negotiation related to environmental issues, societal trends and developments that are a priori structural, as well as the deterioration of planetary balances as anticipated to date by science.

2

Impacts related to the Social and Governance pillars:

Scope:

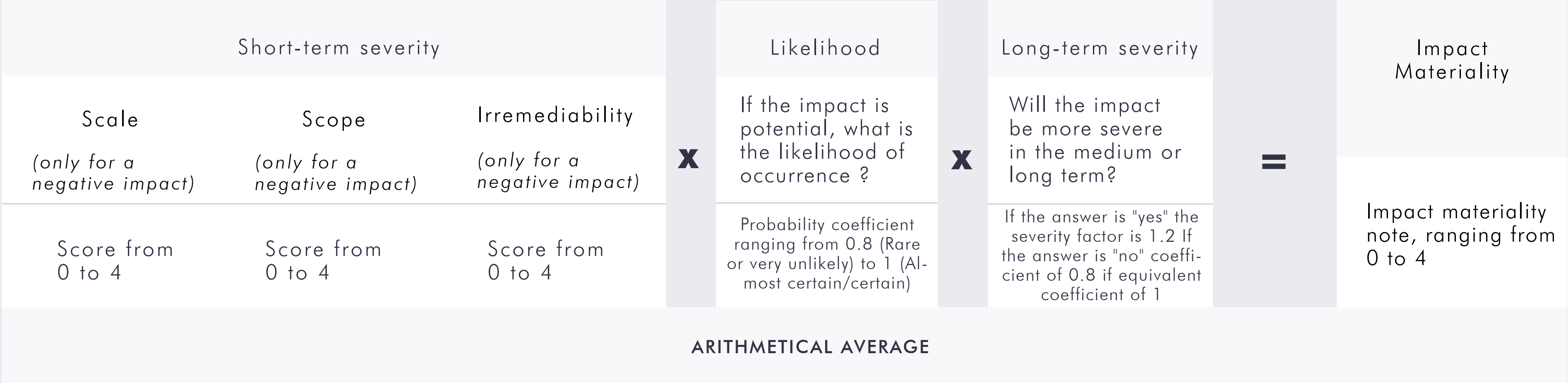
The assessment is based on the those affected by the impact within a target population – e.g. all SGD Pharma employees, all workers in the value chain, all workers with disabilities, etc. The levels of assessment are the following: no or few people impacted, a few people impacted, many people impacted, a significant number of people impacted).

Long-term aggravation/improvement:

Among the factors aggravating or improving the long-term impact (more than two years), the supposed effects of the main existing regulations, or those under negotiation, related to human rights, as well as societal trends and developments that are a priori structural, have been considered.



IMPACT CALCULATION METHODOLOGY



The severity component of the **impact score** is calculated using an arithmetic average of the scores for three elements: **scale**, **scope**, and **irremediability**, with irremediability considered only for **negative impacts**.

The **impact score** is then derived by multiplying this **severity score** by a probability and a **long-term trend coefficient**. The latter helps to understand whether the impact is likely to **worsen or diminish** in the future (five years from the IRO assessment).





4.FINANCIAL MATERIALITY

The second dimension of **double materiality** is financial materiality. Ours was conducted according to ESRS1, whereby a **sustainability topic** is financially material if it has, or could reasonably have, a **significant impact** on the company’s financial performance, condition, or access to capital in the short, medium, or long term. This includes risks and opportunities from past or future events, whether within or outside the company’s control. As with the **materiality impact**, the time scales were set in accordance with the requirements of **ESRS 1**.

Thus, **a short-term time horizon** corresponds to the period covered by the **financial statements** (i.e., one year), a medium-term time horizon corresponds to the period between the short-term maturity and five years, and a **long-term time horizon** corresponds to maturities greater **than five years**.

	FINANCIAL EFFECT	FINANCIAL EFFECT TYPOLOGY		Score	Associated weighting factor
What is the potential financial effect associated with the R/O on the entity's financial performance in the short/medium term (<5 y)? Scale used to be chosen by SGD Pharma	SEVERITY	Low	The financial effect is strictly below €1million	1	
		Moderate	The financial effect is the range of €1million to €2million	2	
		Significant or severe	The financial effect is the range of €1million to €5million	3	
		Maximum	The financial effect is strictly above €5million	4	
What is the financial effect's probabiity of occurrence?	LIKELIHOOD	Rare or very unlikely	Probability of occurrence between 0 and 20%	1	0,8
		Unlikely	Probability of occurrence between 20 to 50%	2	0,87
		Likely	Probability of occurrence between 50 and 80%	3	0,93
		Almost certain/certain	Probability of occurrence between 80 and 100%	4	1
How will the finan- cial effect evolve over the long term (5years)?	LONG TERM AGGRAVATION	Decrease	Reduced financial effect in the long term (severity and/or probability will decrease)		0,8
		Equivalent	Unchanged financial effect in the long term (severity and probability remain the same)		1
		Increase	Increased financial effect in the long term (severity and/or probability will increase)		1,2



It should be noted that the following **methodological choices** were made in the context of the risk-opportunity assessment:

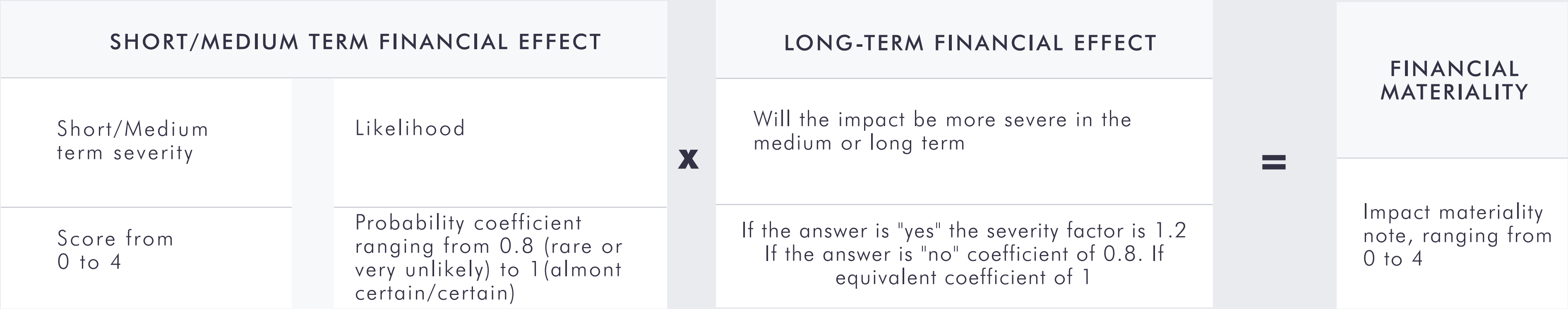
**GROSS VS. NET:** The assessment was carried out on a ‘gross’ rather than a ‘net’ basis, which means that the risk and **opportunity management measures** already put in place were not considered.

**SEVERITY:** SGD Pharma’s finance team provided **quantitative criteria** to assess the potential **financial effects** associated with the risks and opportunities assessed on the company's financial performance in the **short and medium term** (less than five years).

**LIKELIHOOD:** The **likelihood** that the occurrence of the risk or **opportunity** will cause a financial effect for the company was evaluated, rather than the **probability** of the risk or opportunity occurring.

**LONG-TERM AGGRAVATION/IMPROVEMENT:** Among the factors increasing or mitigating the **financial effects** of risk or opportunity in the long term, the assessment considered existing regulations or those under negotiation, **societal trends** and developments that are a priori structural and, for dependencies on **environmental resources**, the deterioration of **planetary balances** as anticipated to date by **science**.

FINANCIAL MATERIALITY CALCULATION METHODOLOGY





The financial effects were assessed according to four levels, based on a financial scale of severity proposed by SGD Pharma and in line with our internal financial risk matrix below:

	Assessment level	Score	Coeff
Severity of financial effect	Low	1	
	Moderate	2	
	Significant or severe	3	
	Maximum	4	
Likelihood	Rare or very unlikely	1	0,8
	Unlikely	2	0,87
	Likely	3	0,93
	Almost certain/certain	4	1
Long-term financial effect (LT-FE)	Decrease		0,8
	Equivalent		1
	Increase		1,2

The combination of these score and coefficients, as applied though the formula, results in a final score for each risk or opportunity ranging from 0 to 4. If the formula yields a score exceeding 4, the value is capped at 4. The evaluation and final score were presented to the project COPIL, which validated them.



5.DEFINITION OF THRESHOLDS

The selection of materiality thresholds is based on an analysis of the final IRO scoring. This analysis was conducted by a third party. These thresholds were considered because they do not exclude important topics, sub-topics, and sub-sub-topics relevant to SGD Pharma or its stakeholders. Two materiality threshold scenarios were pre-selected and presented to the ExCo and the following thresholds have been selected:

Impact materiality: 2.5/4 threshold

Financial materiality: 2.5/4 threshold



INTEGRATION OF THE IDENTIFICATION, ASSESSMENT AND MANAGEMENT OF IROS IN THE OVERALL RISK

To integrate IROs into our **decision-making processes**, a sustainability awareness session was conducted to help our **ExCo members** integrate the IROs resulting from the DMA into their daily operations. We have reviewed all IROs during the meetings with topic owners to prepare this Sustainability Report, to ensure that sustainability and **long-term resilience** are central to our strategy. We recognize that integrating these factors will enhance our ability to make **informed, forward-thinking** decisions that align with both our **business objectives** and our broader **responsibility** to stakeholders.

In future, we will systematically incorporate **IRO considerations** into **key strategic, financial, and operational decisions**. This includes leveraging the results of our DMA to identify, prioritize, and manage both risks and opportunities across the organization. By doing so, we ensure that our **decision-making process** is grounded in a comprehensive understanding of how various factors – whether environmental, social, or **governance-related** – can influence our business.

We will also ensure that IRO insights are embedded at all levels of the company, from **senior leadership** to **operational teams**, so that decisions are informed by a thorough understanding of both short- and long-term impacts. In doing so, we will strengthen the ability of SGD Pharma to generate **sustainable growth, mitigate potential risks**, and **capitalize on new opportunities** as they arise.

From this point, all **ESG action plans** will prioritize the **reduction of negative impacts** and risk mitigation, as identified by the DMA.

OUR CERTIFICATION

We consider **certification** to be a key component of our **due diligence approach**. It offers a **structured, objective**, and **externally validated** way to ensure that both our own operations and those of our suppliers meet **internationally recognized** standards in areas such as **environmental performance, occupational health and safety**, and **responsible business conduct**.

At SGD Pharma, we show our commitment to maintaining the **highest standards** of quality and sustainability by seeking **ISO certifications** across our **global sites**. These certifications are a testimony to our dedication to **meet and exceed industry standards**. Achieving these certifications reflects our **proactive approach to quality control, environmental commitment** and **continuous improvement**. Through rigorous audits and adherence to international standards, SGD Pharma ensures the **safety, reliability** and **sustainability** of our packaging solutions, reinforcing our position as a trusted leader in the **pharmaceutical packaging industry**.

We also exemplify our commitment to ethical and **responsible business practices** by focusing on securing **SA8000 certification** for our plants in China and India. This **globally recognized** standard demonstrates dedication to social accountability, including workers’ rights, good workplace conditions and **high-quality management systems**. By achieving **SA8000 certification**, we underscore our resolve to uphold the highest standards of **social responsibility** across our operations.

	Sucy-en-Brie, France	Saint-Quentin-Lamotte, France	Kipfenberg, Germany	Zhanjiang, China	Vemula, India
ISO 14001	X	X	X	X	X
ISO 50001	X	X	X	X	X
ISO 45001	X	X	X	X	X
ISO 9001	X	X	X	X	X
ISO 15378	X	X	X	X	X
SA8000	NA	NA	NA	X	X
ISO 22000	NA	NA	NA	X	NA



# OUR ENVIRONMENTAL ASPECT

## SUSTAINABLE DEVELOPMENT GOALS COVERED IN THIS CHAPTER

6

CLEAN WATER AND SANITATION



7

AFFORDABLE AND CLEAN ENERGY



12

RESPONSIBLE CONSUMPTION AND PRODUCTION



13

CLIMATE ACTION

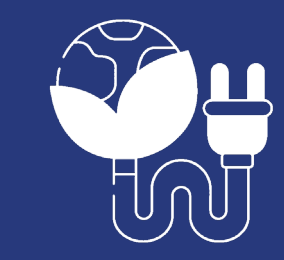


15

LIFE ON LAND



## TARGETS



### GHG AND ENERGY CONSUMPTION

By 2030 (vs. a 2022 baseline)– approved by SBTi:

Scopes 1 and 2: **42%** reduction

Scope 3: **25%** reduction

By 2040 (vs. a 2022 baseline) – not approved by SBTi:

Scopes 1 and 2: **65%** reduction



### WATER WITHDRAWALS/ TON OF GOODS PRODUCED

Water withdrawals/ton of goods produced :

**42%** reduction by 2030 vs. 2020 baseline

We engage to reach internally **1.7m³**

### WASTE

We engage to reach internally **0.2% of ratio** of glass non internally recycled by 2030



### AIR POLLUTION

**262 tonnes** of NOx by 2030

Dust: to reach **the level 19.3** tonnes of dust produced by 2026



### ACCIDENTAL SOIL AND GROUNDWATER POLLUTION

Zero events to 2030 and beyond





**LAURENT THURET**  
Group EHS and  
CSR Director

## MESSAGE FROM THE TOPIC OWNER

At SGD Pharma, 2024 has been a **pivotal year** for advancing our **EHS commitments**, reinforcing our dedication to **sustainable operations** and **employee well-being**. Building on the strong foundations established in previous years, we have reached significant **milestones** that will drive our **long-term impact**. We have also enhanced our **Scope 3 third-party verification**, optimizing **data accuracy and transparency**.

One of our most notable achievements last year was the **increase of our ambitions** relating to **decarbonization journey** with even more **ambitious targets for 2030** which was approved by the **Science Based Targets initiative (SBTi)**, marking a critical step forward in our decarbonization journey. This commitment, combined with **actions to reduce fossil fuel (gas) consumption** in our process in France, our increased use of renewable electricity in China, and the definition of an **internal CO2 price**, strengthens our ability to achieve our **ambitious emission reduction goals**.

In addition, we continued to demonstrate our **leadership in sustainability** by earning the **Platinum medal** from **EcoVadis**, reaffirming our position among the **top-performing companies** in our industry, and improving our scores with **CDP Climate B** and **CDP Water B-**. Recognizing the **urgency of climate action**, we have significantly expanded our **internal capacity** through various climate-related training, including **Climate Fresk workshops**, ensuring that our teams are well-equipped to integrate **climate considerations** into decision-making. We also completed the first-ever **SGD Pharma biodiversity impact mapping** across our entire value chain, reinforcing our commitment to **understand our impact** and **preserve natural ecosystems**.

In parallel, **health and safety** remain **core priorities**. This year, we have strengthened our safety culture through the development of new **Group safety standards**, and an increased focus on **operational risk prevention**. In addition, we set up a **water committee**, bringing together engineers from all our plants to be aware of **local water context** and optimize **water management and efficiency**, further aligning our strategy with **global environmental best practice**.

Looking ahead to 2025, we will continue to deepen our efforts by:

- **Deploying new training programs on climate** issues and **health and safety**, ensuring continuous learning and engagement across all levels of the organization.
- Conducting detailed **physical risk mapping** to strengthen our resilience to environmental risks.
- Defining **Group-wide standards** for managing **major operational environmental risks**, ensuring **alignment with best practice**.
- Launching our **first life cycle assessment (LCA)** project, to better **understand** and **reduce** our products' environmental footprint.
- Developing new **safety standards** focused on machine safety and conducting a comprehensive **mapping of employee health risk exposures**.

By integrating **sustainability** at every level of our operations and fostering a proactive safety culture, we are shaping a **resilient, responsible, and future-ready** SGD Pharma.



# ESRS E1 CLIMATE CHANGE

SGD PHARMA



2024



SGD PHARMA	ESRS 2 IRO 1 - CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES			2024
	<p>At SGD Pharma, we assess both our <b>actual and potential impacts</b> on <b>climate change</b> by measuring and tracking our total <b>GHG emissions</b> across <b>all scopes</b>. This process is fundamental to understanding our <b>carbon footprint</b> and forming our <b>decarbonization strategy</b>. SGD Pharma has identified key <b>climate-related impacts, risks, and opportunities</b> through a double <b>materiality assessment</b> and further <b>gap analysis</b>, as described above. We have identified <b>the primary sources of GHG emissions</b> in our operations, including <b>combustion processes, energy consumption</b>, and the use of <b>raw materials</b> in our <b>manufacturing processes</b>. These activities represent the <b>main contributors</b> to our current <b>carbon footprint</b>.</p> <p>We recognize our <b>contribution to global warming</b> due to <b>direct and indirect GHG emissions</b> and our <b>high energy consumption</b>, particularly from <b>fossil fuels</b>. <b>Climate-related physical risks</b> affecting our operations include <b>rising temperatures, water scarcity, and extreme weather events</b>. <b>Transition risks</b> encompass <b>reputational risks</b> linked to <b>non-compliance</b> with <b>GHG reduction commitments, business interruptions</b> due to <b>climate hazards, legal risks</b> related to <b>employee working conditions, potential market loss or competitiveness challenges</b> for <b>exported products, regulatory compliance costs</b>, and <b>electricity shortages</b> affecting locations where <b>process electrification</b> (such as <b>furnace electrification</b>) is ongoing.</p> <p>We anticipate that <b>future GHG emissions</b> may increase due to potential <b>operational changes</b>, such as <b>furnace rebuilding industrial planning</b> and <b>joint ventures</b>.</p>	<p>To assess and manage these risks, we regularly review and update our <b>decarbonization strategy</b>, taking into account <b>technological advances, evolving market conditions, and changes in policy</b>. At the same time, we see <b>climate-related opportunities</b>, such as access to <b>new funding, subsidies</b>, the potential for <b>reducing operational costs</b> linked to climate commitments, and market opportunities to develop sales. These <b>impacts, risks, and opportunities</b> are assessed based on <b>time horizons</b> aligned with the company's <b>strategic planning</b>. The <b>short-term horizon</b> is linked to the financial statement cycle, while the <b>medium-term</b> (two to five years) and long-term (beyond five years) horizons are defined through <b>double materiality assessments and strategic frameworks</b>. In the <b>short term</b>, key challenges include <b>increased operational costs</b> related to infrastructure adaptation, while <b>market opportunities to expand sales</b> are emerging. These factors will continue to <b>evolve over time</b>. <b>Climate-related financial impacts</b> include <b>increased compliance</b> and investment costs associated with <b>GHG reduction strategies</b>, rising operational expenditures linked to infrastructure adaptation, and the <b>financial risks</b>. To address these challenges, SGD Pharma is adapting <b>our business strategy</b> by investing in <b>decarbonization projects, engaging with suppliers, and ensuring regulatory compliance</b>. <b>Planned financial investments</b> support climate risk mitigation and leverage <b>climate-related opportunities</b>. We monitor our actual <b>GHG emissions</b> using the <b>GHG Protocol standards</b>, covering <b>Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (emissions across our value chain, including raw materials and transportation)</b>.</p>	<p>These <b>emissions</b> are tracked through regular <b>inventories</b>, ensuring that our data is <b>accurate</b> and up to date. We report our <b>emissions annually</b> and have implemented internal processes for <b>verifying and validating</b> the data to maintain its integrity. To ensure the <b>accuracy</b> of our emissions data, we engage in <b>third-party verification</b> and adhere to <b>internationally recognized standards</b>. The responsibility for assessing and managing <b>climate-related risks and opportunities</b> lies with <b>Group EHS and CSR Director</b> with oversight and strategic decision-making provided by the <b>Executive Committee and CEO</b>. <b>Climate risks and opportunities</b> are integrated into <b>corporate strategy</b> through the <b>sustainability action plan</b>, outlining measures to <b>reduce impacts and mitigate risks</b>. The <b>Board and Executive Committee</b> review climate-related developments during <b>Decarbonization Committee meetings</b>, held at least <b>twice a year</b>. To address these <b>risks and opportunities</b>, SGD Pharma is implementing a <b>decarbonization strategy, energy efficiency initiatives, and renewable energy procurement and production</b>. Progress is tracked by <b>KPIs</b> such as <b>Scopes 1, 2, and 3 emissions</b> and <b>energy consumption</b>. We align our decarbonization strategy with <b>international frameworks</b>, including <b>SBTi</b> approval of our <b>short-term reduction targets</b>, adherence to the <b>GRI</b> and the <b>UN Global Compact</b>, and voluntary alignment with the <b>CSRD</b> in the current report. We publicly disclose SGD Pharma’s climate-related risks and opportunities through <b>CDP, EcoVadis, investor disclosures, and our annual sustainability reports</b>. Our <b>short-term GHG emissions reduction targets</b> have been approved by the <b>SBTi</b>, providing <b>external confirmation</b> of our climate risk management approach.</p>	
				39



DECARBONIZATION STRATEGY  
AND TRANSITION PLAN

To achieve these climate targets, SGD Pharma is implementing a comprehensive **decarbonization strategy**, which includes:



PROCESS EFFICIENCY

Furnace rebuilds using best available technologies (BAT), performance optimization and energy recovery



ENERGY TRANSITION

Electrification of process, reduction of fossil fuels use, generation of renewable electricity and increased procurement of renewable electricity



CIRCULAR ECONOMY APPROACH

Increased use of external cullet (test), eco-design and lightweight products

SUPPLY CHAIN  
DECARBONIZATION EFFORTS

**Significant investments** have already been made, and additional **financial commitments** are planned to support these initiatives.

GOVERNANCE AND OVERSIGHT

Climate-related strategy and targets are overseen by the CEO and the Executive Committee and are managed by the Group EHS director in 2024. Climate targets are reviewed annually, and in 2024 decarbonization plans were upgraded to achieve full alignment with a 1.5°C scenario. This plan and those targets have been submitted to the SBTi, which approved them in November 2024.

We track emissions reductions through internal monitoring and annual reporting. The company is committed to external reporting via CDP, EcoVadis.

SGD Pharma monitors and reports its GHG emissions in accordance with the GHG Protocol framework.

The most recent verified emissions data for the company are as follows:

Scope	Emissions data tCO2eq
1	121 578
2	59 909

Market based

Scope	Carbon intensity tCO2/ton of goods
1	0,925
2	

The emissions data for Scope 1, scope 2 are third-party verified to ensure transparency and accuracy.

Scope	Carbon intensity per net revenue tCO2eq/K€
1	0,40
2	



Over 2024, SGD Pharma has continued to **deploy its decarbonization strategy**. Projects realized in 2024 include: **the electrification of feeders** at the Sucy-en-Brie plant; the optimization of gas combustion in some feeders at the Saint-Quentin-Lamotte plant; **the rebuild of the Zhanjiang furnace**, based on BREF best available technologies; and the **purchase of renewable electricity** in China. We are continuing to implement the actions set out in **SGD Pharma’s decarbonization plan** to deliver our **2030 and 2040 targets**. This plan includes delivering **general efficiency improvements** in various plants and additional actions, such as **increased used of decarbonized raw materials** and lightweighting. Other plans to reduce carbon emissions over the coming years include the **electrification of the furnace** at the Kipfenberg plant, oxycombustion with feeders in Saint-Quentin-Lamotte, and the **purchase of more renewable electricity** in India and Germany.

**2024 FURNACE REBUILD PROJECT, ZHANJIANG, CHINA**

Following **extensive planning and preparation**, we launched a major furnace rebuild project at our Zhanjiang plant in China on 26 February 2024. Over the course of 63 days, teams from the Furnace, Cold End, Hot End, and Facility departments successfully **demolished the existing furnace** and undertook reconstruction.

The new furnace is equipped with **advanced technology** to enhance energy efficiency, expand production capacity, and improve glass quality. In addition, the integration of a color feeder will enable the development of **new product lines**. This investment not only strengthens SGD Pharma’s operational capabilities but also contributes to the Group’s **broader carbon reduction and decarbonization goals**, reinforcing our commitment to **environmental protection** and sustainable development.





At SGD Pharma, we are committed to **reducing our carbon footprint** and **aligning our climate strategy** with the Paris Agreement. As part of our decarbonization strategy, we have **set ambitious GHG emission** reduction targets, measured in absolute terms, and, where applicable, as an **intensity value**.

Our targets include:

**SCOPES 1 AND 2** absolute emissions reduction: **42% by 2030** (compared to a 2022 baseline).

**SCOPES 1 AND 2** absolute emissions reduction: **65% by 2040** (compared to a 2022 baseline).

**SCOPE 3** absolute emissions reduction: **25% by 2030** (compared to a 2022 baseline).

The company uses the **market-based** method for calculating Scope 2 emissions included in the target.

The base year for GHG targets is 2022 with a baseline value of **218 734 tonnes** of carbon dioxide equivalent (tCO<sub>2</sub> eq) for the scopes 1 and 2. This value was measured and verified by the third party and further validated as a base year during the **SBTi target approval process**.

These carbon reduction targets have been changed since 2024 as part of the SBTi approval of our new ambitious targets. The previous target aimed for a **35% reduction of CO<sub>2</sub> by 2030** from the 2020 baseline.

We ensure alignment of our **GHG emission reduction target** by covering the same gases and maintaining consistency across Scopes 1, 2, and 3 emissions.





DECARBONIZATION LEVERS AND THEIR CONTRIBUTIONS

To achieve these targets, SGD Pharma has identified key **decarbonization levers** to align with the **transition plan** and the contributions we expect them to make:

ENERGY EFFICIENCY IMPROVEMENTS

Optimization of **production processes**, **heat recovery systems**, and **equipment upgrades** to reduce energy consumption.

RENEWABLE ENERGY INTEGRATION

Increased procurement and on-site generation of **renewable electricity** to replace **fossil fuel-based energy sources**.

FUEL SWITCHING

Transitioning from **carbon-intensive fuels** to **lower-emission alternatives**, such as biofuels or electrification of processes where feasible.

PROCESS EMISSIONS REDUCTIONS

Increase of **use of decarbonated or recycled** raw materials

SUPPLIER ENGAGEMENT AND SUSTAINABLE PROCUREMENT

**Collaboration with key suppliers** to reduce **emissions in the value chain** and incentivize **sustainable practices**.

We are fully committed to providing **transparent reporting** on our progress. **Our emission reduction performance** is disclosed annually in our *Sustainability Report*, **CDP submission**, and other **ESG disclosures**. By integrating **climate action** into our business strategy, we aim to **future-proof** our operations while contributing to a **low-carbon economy**.

ACTIONS CONTRIBUTING TO REDUCTIONS

1

SCOPE

Electrification of operational processes, reduction of fossil fuel use, lightweighting of products and eco-design, use of recycled raw materials (recycled cullet), lower-emitting sources of energy.

2

SCOPE

Energy efficiency, production of solar electricity, purchase of renewable energy.

3

SCOPE

Purchase of decarbonized raw materials, end-of-life initiatives, supplier engagement and sustainable procurement initiatives.





**Energy management** is a cornerstone of our **sustainability strategy**, given the inherently **energy-intensive nature** of glass manufacturing. With the industry facing the dual challenges of **high melting temperatures** (of around **1,500°C**) and CO2 emissions from **carbon-intensive raw materials**, we are committed to continually enhancing the **energy efficiency** of our processes to mitigate our **GHG emissions**. This commitment is embodied in our **systematic investment** in the **best available technologies** and regular upgrades to our installations, which aim to minimize **our environmental impact** and contribute to the **global fight against climate change**.

A prime example of our dedication to **sustainable practices** is the Saint-Quentin-Lamotte plant, which boasts a **fully electrical furnace** and an oxy-fuel combustion furnace with **electrical boosting**, both of which are designed to significantly **reduce carbon emissions**. Where possible, we are seeking to electrify processes across all our plants that allow us to **reduce our carbon footprint**. Our journey towards sustainability also involves the **progressive substitution of fossil oil** with more eco-friendly alternatives, alongside the complete recycling of **internal glass debris** to move towards **zero waste** of raw materials.

To amplify our efforts in **combating climate change**, our multidisciplinary team has identified more than **100 opportunities** for **technological innovation** required by 2050, guiding the re-evaluation of our carbon footprint reduction strategy. Moreover, we actively engage with technological advances, exploring solutions such as **hydrogen** and decarbonized raw materials, and we participate in ambitious projects such as Furnaces of the Future, an initiative that **was led by FEVE**, the **European Container Glass Federation**.

By aligning our **energy management** efforts with an internal standard based on **ISO 50001**, we foster a **culture of energy performance** across all SGD Pharma sites. This framework is structured around the PDCA (plan, do, check, act) method. It includes **energy audits** to identify significant energy users and set **performance indicators and targets**, the implementation of **action plans**, rigorous monitoring, **measurement and analysis** for verification, and a continuous improvement phase to address any **nonconformities**.

CLIMATE-RELATED KPIS IN 2024

Energy consumption from fossil fuels	447 GWh
Energy consumption from nuclear sources	115 GWh
Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources	16 332 MWh
Consumption of self-generated non-fuel renewable energy	1398 MWh
Fuel consumption from coal and coal products	0 MWh
Fuel consumption from crude oil and petroleum products	2.5 Ml
Fuel consumption from natural gas	441 GWh
Fuel consumption from other fossil sources (propane)	1480 t
Total energy consumption per net revenue	1.47 GWh/M€





**HEAT RECOVERY SYSTEM, VEMULA, INDIA**

The installation of a **heat recovery** unit at the Vemula site in India is another **significant energy efficiency** initiative we have undertaken. **Heat recovery units capture and reuse waste** heat from industrial processes, significantly reducing energy use. Given the **high energy consumption** of glass manufacturing, such systems not only contribute to **substantial energy** and cost savings but also **reduce GHG emissions**.

**ENERGY CONSUMPTION FROM RENEWABLE SOURCES**

We are committed to increasing the share of **renewable energy** in our operations to reduce **SGD Pharma’s carbon footprint** and support our **long-term sustainability goals**. As part of this commitment, the company actively **invests in non-fuel** renewable energy sources. SGD Pharma’s renewables strategy includes the progressive increase of **renewable electricity** purchases from external sources in countries with **emissions-intensive electricity production**. This transition has already yielded **substantial benefits**, and carbon emissions reductions. SGD Pharma’s **low-carbon electricity** strategy started with **purchase of renewable electricity** in China in 2023. It includes purchases in India in 2025, followed by Germany to cover up to 85% of our electrical consumption (excluding France) in 2030.

In mid-2022, SGD Pharma **successfully completed** our solar electricity project at the Vemula plant in India, officially launching **full-year self-production** of solar electricity in 2023. Installing **solar panels** across the entire facility’s rooftop aligns with our broader commitment to **sustainable energy usage**. In 2024, SGD Pharma’s **total energy consumption** from self-generated non-fuel renewable sources amounted to **1,398 MWh**. This includes **electricity generated** from on-site solar photovoltaic panels. These **energy sources** directly contribute to **reducing reliance on fossil fuel-based electricity** and **reducing energy expenses**.





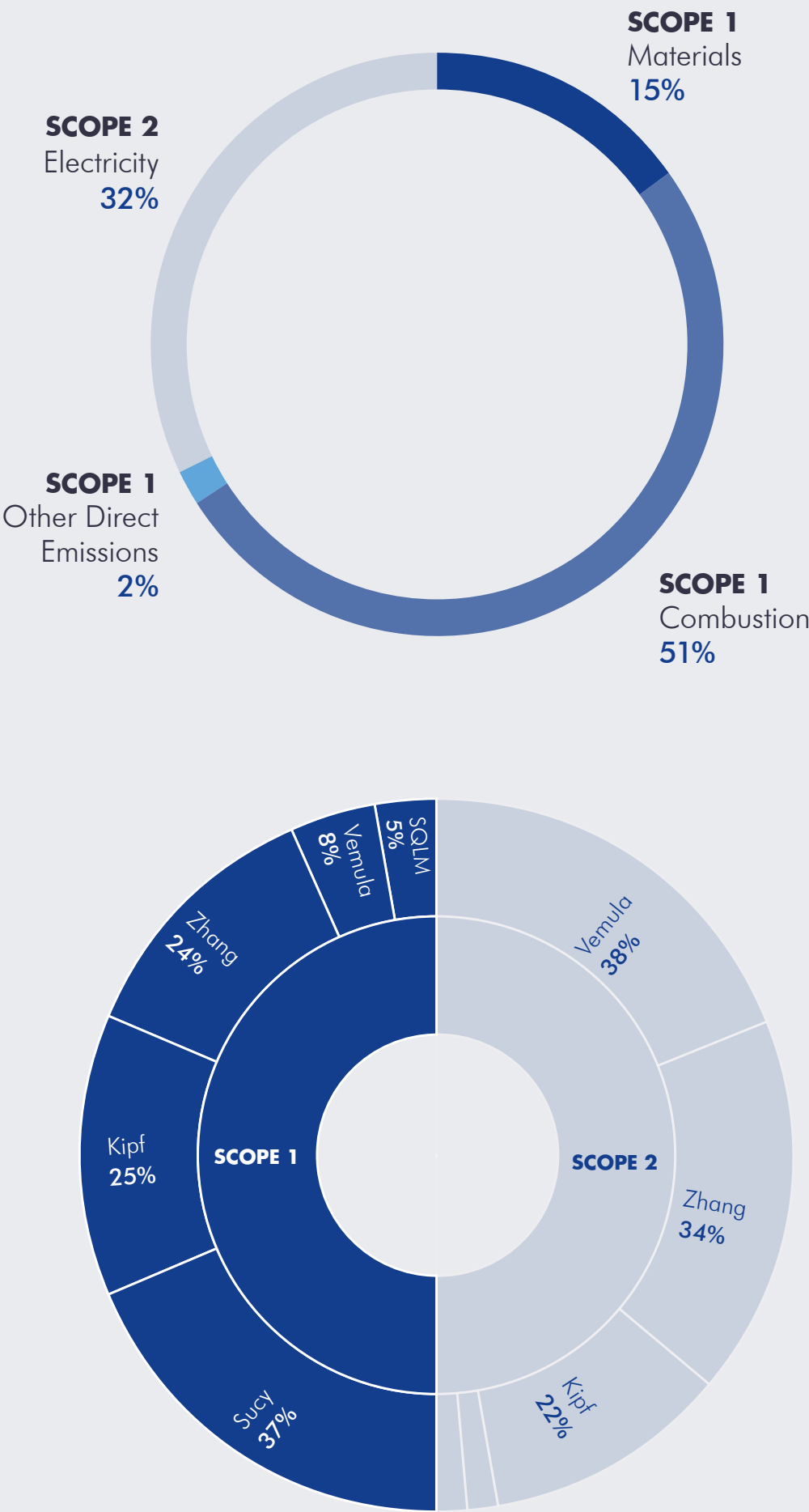
SCOPE 3

We calculate SGD Pharma’s **Scope 3 GHG emissions** for all **15 categories** in accordance with the **GHG Protocol methodology** (SGD Pharma doesn’t have emissions relating to **categories 11, 13, 14, and 15**), ensuring **comprehensive accounting** of indirect emissions across the company’s **value chain**. **Scope 3 emissions** cover **upstream and downstream activities**, including **purchased goods and services**, transportation and distribution, and **end-of-life treatment of sold products**. The most impactful categories in Scope 3 are purchased goods and services, capital goods, and end-of-life treatment of sold products. **Scope 3 is updated annually**, based on **current activity data**. To enhance the accuracy and reliability of SGD Pharma’s Scope 3 emissions inventory, **we incorporate both primary and secondary data sources**:

**PRIMARY DATA COLLECTION** Whenever feasible, we calculate emissions with **data obtained directly from suppliers** and **value chain partners**. This includes supplier-specific emission factors, and **transport activity data** provided by **logistics partners**.

**SECONDARY DATA UTILISATION** Where primary data is unavailable, **we apply industry-average emission factors, life-cycle databases**, and estimates based on **financial spend** or **activity-based metrics**. The company continues to **strengthen engagement** with **key suppliers** to **improve data granularity** and **reliability**. We remain committed to **refining SGD Pharma’s carbon footprint** assessment by increasing the share of primary data in Scope 3 calculations, enhancing transparency, and driving emissions reductions across our supply chain. **Several Scope 3 carbon reduction** initiatives have already been implemented: we favor **maritime transport**, which has a **lower impact** than **road transportation**, for moving products from the **Sucy-en-Brie plant** to the **harbor at Le Havre** in France. For **road transport**, we require specific **statements from carriers** specifying that they use **newer vehicles** with **lower emissions**. In 2018, we launched our **‘Load Factor Optimization’** project, which aims to **optimize the filling** of carriers’ trucks, reducing both costs and **carbon emissions**. Other projects are under study, such as low-carbon solutions for transport or **raw materials**.

DISTRIBUTION OF GHG EMISSIONS BY SCOPE AND SOURCE (ONLY SCOPE 1 AND 2)



This disclosure supports financial market participants’ information needs under Regulation (EU) 2019/2088 (SFDR) and ensures compliance with the European Sustainability Reporting Standards (ESRS).



# ESR2 E2 POLLUTION







SGD Pharma pays special attention to the emissions NO<sub>x</sub>, SO<sub>x</sub>. Our EHS management system covers all relevant operations, including a reference framework, an internal audit and a performance review program for all sites. Environmental requirements include, among other things, wastewater management, waste management, air emissions control, spill and release prevention, and environmental impact assessment. These requirements, and others, aim to prevent and mitigate negative impacts related to potential emissions of chemicals to the environment (whether air, water, or soil) and at preventing incidents and emergencies. The EHS management system of SGD Pharma sites has been assessed and certified as meeting the requirements of ISO 14001.

We consider the topic of substances of concern and substances of very high concern (SVHCs) to be material, given our role in the pharmaceutical packaging sector and our responsibility to ensure product safety and regulatory compliance. Our operations primarily involve the production of primary glass packaging, which does not directly incorporate SVHCs or hazardous chemical additives in the finished product.

However, we acknowledge the importance of monitoring and controlling substances used in production processes, maintenance, or in materials supplied upstream. While we do not currently have a formal public-facing policy specifically aimed at substituting or phasing out substances of concern, we adhere to the REACH regulation and maintain strict internal controls to avoid the use of SVHCs wherever possible.



**AIR QUALITY MONITORING**

We undertake **regular air quality** monitoring across all our sites to ensure the **health and safety of our employees** and minimize environmental impacts. This involves measuring pollutants and ensuring air quality remains within safe and regulatory-approved levels.

**NOX EMISSIONS REDUCTION SYSTEM, ZHANJIANG, CHINA**

We have begun a **crucial environmental project** at our **Zhanjiang plant**, focusing on the **construction and implementation of a deNOx system**. The system employs a combination of **selective catalytic reduction** and **electrostatic precipitators** alongside **ceramic tube technologies**, offering an integrated approach to treating and reducing pollutants effectively.

This initiative, aimed at **reducing the levels of dust, NOx and SO2 emissions from furnace waste gas**, is part of a **broader commitment to minimizing the plant’s environmental impact**. The success of the **deNOx system** was validated by third-party testing, with results showing **significant decreases in NOx, SO2 and dust particle levels**, ensuring **full compliance with local environmental regulations**.

**NOISE REDUCTION, ZHANJIANG, CHINA**

Our **Zhanjiang plant** has undertaken a **boundary noise reduction project** to address noise pollution from the ventilators of its **volatile organic compounds treatment system**. The goal was to **design and install noise reduction covers** for the ventilators to **decrease noise levels**.

The project involved **installing noise reduction covers** on two sets of ventilators and additional smaller ventilators, with **specific dimensions** for each set to ensure **effective noise mitigation**. This initiative was **crucial in bringing the boundary noise levels below the limits mandated by local regulation**, significantly **reducing noise pollution** around the plant.

**Tested by a third party** and verified by the local Environmental Protection Bureau, **the noise reduction efforts** successfully brought **the boundary noise levels under control**.

In the future we plan to **implement additional actions to reduce NOx and SOx** by using the **best available technologies** in our operational processes. We also plan to **continue our deployment of 360 degree internal environmental assessment** in our sites to **identify actions needed to minimize risks**.





TARGETS



ACCIDENTAL SOIL AND GROUNDWATER POLLUTION

Remain at zero events until 2030 and beyond



AIR POLLUTION

Emit no more than 262 t of NOx by 2030

These targets are voluntary and surpass current local authority requirements.

All relevant sites **monitor compliance** with **air and soil pollution** and wastewater emissions limits set out in their respective **operating permits or local regulations**. Sites also have to comply with SGD Pharma's EHS requirements and related standards. EHS requirements cover **air and soil pollution, wastewater management** and **environmental impact management**. **Action plans with specific targets** are implemented at local level to improve all targeted topics, where needed. SGD Pharma uses local authorities' legislation and internal processes as a methodology for establishing pollution-related targets. These targets are not validated by the external third party. Some **actions were taken in 2024** to minimize the risk of **air or water pollution**. A study of **potential leakage or spill risks** was conducted at the Zhanjiang plant in 2024. In addition, the Zhanjiang plant introduced a **new VOC treatment system** and **upgraded its wastewater treatment station**. The plant has also installed a new online monitoring system to test its **VOC waste gas** (to test for non-methane hydrocarbons, SO<sub>2</sub> , NOx, benzene and benzene series).

Currently, we do **not have global targets** to improve **water quality**, although there are some at the local level, attributed to a particular plant. In 2025, we plan to begin work to **establish water pollution targets**, where material.

Example of actions we plan in our Sucy-en-Brie plant to reduce pollution risks include:

- **Decommissioning a heating oil** network in the cellar
- Conducting an overall **ICPE environmental** assessment (a hazard/impact study in line with France's Installation Classifiée pour la Protection de l'Environnement framework).



In 2024 we taken the following pollution KPIs:

NOx	332t
SOx	142t
Dust	20,4t



# ESRS E3 WATER AND MARINE RESOURCES





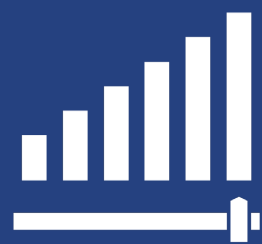
SGD PHARMA	E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES			2024
	<p>Our <b>Sucy-en-Brie plant</b> has carried out a significant initiative to <b>upgrade its cooling systems</b>, which is critical for <b>enhancing operational efficiency</b> and reducing environmental impact. The project will <b>replace its cooling towers</b> and <b>water treatment station</b>. The chosen solution is focused on <b>adiabatic coolers</b>, a technology selected for its <b>environmental benefits</b>, including <b>reduced water consumption</b> and the <b>mitigation of legionella risk</b>. This technology also promises <b>enhanced operational continuity</b>, allowing for maintenance without full system shutdowns. The project scope included the <b>integration of four adiabatic coolers</b> and <b>the replacement of the existing water treatment system</b> with a <b>reverse osmosis station</b>. In addition, a new technical fluid room was created to house <b>water filtration for well drilling, water buffer storage, purge recovery</b> and <b>comprehensive metering for monitoring purposes</b>.</p> <p>A <b>strategic approach to water management</b> was also adopted, aimed at <b>minimizing the use of city water</b>. By leveraging <b>adiabatic technology</b>, we intend to <b>reduce both the concentration and evaporation volumes of water</b>. Furthermore, the project includes efforts to <b>enhance the reliability of the well-drilling circuit for cooling and calcining processes</b>, significantly <b>cutting down the need to draw on city water</b>.</p> <p><b>SYNOPTIC AND DATA MONITORING SYSTEM</b> Our Saint-Quentin-La-Motte plant is equipped with a <b>synoptic and datamonitoring system</b> dedicated to <b>water management</b>.</p>	<p>This system enables <b>real-time tracking of water consumption</b> and flow across various stages of the production process, helping to quickly identify anomalies, leaks, and inefficiencies. By <b>centralizing and visualizing water-related data</b>, the system supports more <b>effective resource management</b>, promotes water conservation, and reinforces the plant's commitment to <b>sustainable and responsible water use</b>.</p> <p><b>REMOTE WIRELESS WATER METER</b> We have deployed a <b>remote wireless water metering system</b> at our Zhanjiang plant, as part of its advanced water resources management strategy. This system <b>enables comprehensive, real-time monitoring and control of water consumption throughout the facility</b>, supporting <b>planning, scheduling, early warning, and leak detection</b>. Data collected from <b>smart water meters</b> is continuously analyzed to inform decision-making in both water and energy management. By enabling <b>precise tracking and optimal allocation of water resources</b>, the system enhances overall efficiency, reduces waste, and contributes to SGD Pharma’s broader <b>sustainability objectives</b> and commitment to responsible resource use. Various initiatives taken in Zhanjiang plant let us <b>save 44% of water usage</b> in the plant over the past 5 years.</p> <p><b>RAINWATER HARVESTING SYSTEM, VEMULA, INDIA</b> We have set up a <b>rainwater harvesting system</b> at our Vemula plant, <b>reducing its reliance on local water sources</b>.</p>	<p>It is a straightforward yet effective way to <b>make the most of rainfall</b> and <b>reduce the need for water from the public network</b>, especially in a region where <b>water can be scarce</b>. With a volume of 15,000kl, the rainwater recovery tank has enabled us to <b>reduce our public water consumption</b> at the plant since 2019.</p> <p><b>WASTEWATER QUALITY ASSESSMENT</b> We consistently conduct <b>regular wastewater quality assessments</b> across all our <b>manufacturing sites</b>. These assessments are an integral part of our environmental <b>management strategy</b>, aimed at <b>minimizing our ecological footprint</b> and ensuring the well-being of the communities in which we operate. By systematically <b>monitoring our wastewater's chemical and biological properties</b>, we identify and implement necessary <b>treatments and improvements</b> to <b>maintain water quality</b>.</p> <p><b>WATER COMMITTEE</b> In line with our <b>sustainability strategy</b>, SGD Pharma launched a <b>Water Committee initiative</b>, bringing together <b>technical experts</b> from all <b>production sites</b> to collectively address <b>water-related challenges</b>. The committee's <b>short-term objective</b> is to manage and <b>dramatically reduce water withdrawal and consumption</b>, while its medium-term goal focuses on minimizing <b>the environmental impact of rejected water and pollution</b>. Through <b>monthly workshops</b> and collaborative discussions, the committee facilitates knowledge exchange, promotes <b>joint problem-solving</b>, and supports the development of <b>structured improvement plans</b> across sites. We launched our new Water Committee in March 2024, reinforcing <b>SGD Pharma’s commitment to responsible water use</b> and <b>cross-site collaboration</b>.</p>	
				52





513 063 m<sup>3</sup>

Total water withdrawals

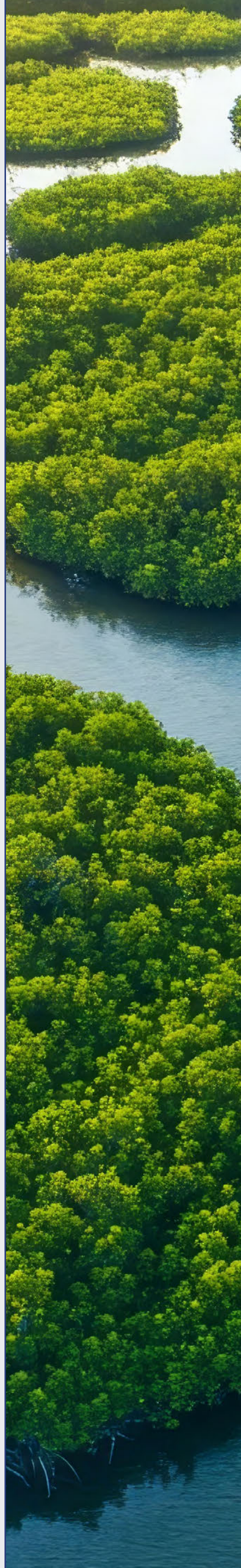


1 137 m<sup>3</sup>/€1 million  
of revenue

Water intensity



# ESRS E4 BIODIVERSITY AND ECO-SYSTEMS





TARGET: 100, 000 MANGROVE TREES TO BE PLANTED BY 2030

In 2024, we conducted a biodiversity analysis across SGD Pharma’s operations and value chain, performed by an external third party. While a formal biodiversity and ecosystem transition plan has not yet been adopted, it is under development and is expected to be finalized by 2027 as part of our broader environmental strategy. To date, the Group has defined measurable and time-bound biodiversity-related targets, notably reforestation efforts such as the annual tree planting program in China, which in 2024 achieved its goal of planting 10,000 mangrove trees.

These targets are reviewed and updated yearly based on performance, though they are not yet aligned with EU or international frameworks such as the Kunming-Montreal Global Biodiversity Framework. For our strong contribution to mangrove reforestation, SGD Group was awarded the Comité de France Gold Award in 2024, recognizing the company’s commitment to decarbonization and support for biodiversity.

We have identified that some of our operational sites are located near sensitive or legally protected ecosystems; however, current operations do not impact these areas. No mitigation hierarchy (avoid-reduce-restore-offset) is formally applied at this stage, although discussions around restoration or compensation actions are underway.

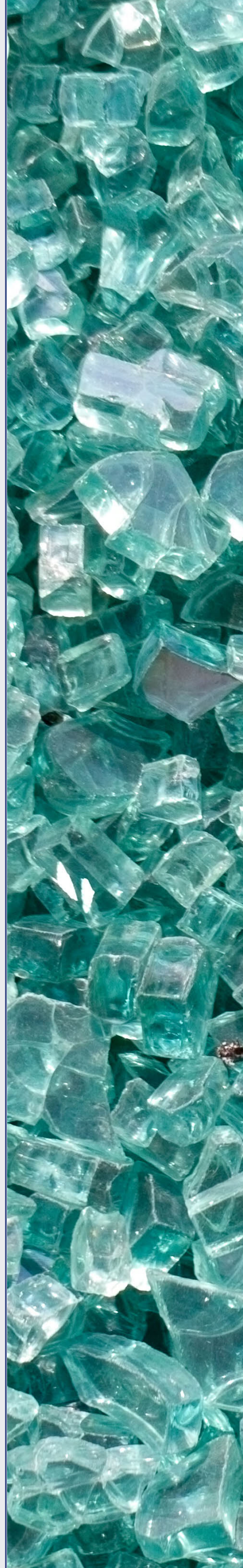
Biodiversity-related actions are linked to clear milestones and annual progress checks. Internal stakeholders have been involved in defining the current biodiversity targets, and we plan to involve additional stakeholders, such as NGOs and regulators, in the future development of our transition plan. While we do not have carbon certificate, the carbon annually absorbed by the 12,000 mangrove trees that is equivalent to the carbon emitted for all our train and flight travels inside China for our employees.



We have identified several biodiversity and ecosystem-related impacts, dependencies, risks, and opportunities across SGD Pharma’s value chain. Upstream, negative impacts include land use change, intensive water consumption, and emissions of GHGs and air pollutants. Within our own operations, the company uses large volumes of freshwater for cooling and transport of molded glass and contributes to pollution through fossil fuel combustion. Downstream impacts include emissions, noise pollution, and the potential introduction of non-native species during logistics activities. These impacts have been assessed through a third-party biodiversity analysis covering all sites. Positive contributions include reforestation activities in China and conservation partnerships, such as collaboration with the Zhanjiang Chinese White Dolphin Conservation Association. Our operations are dependent on ecosystem services, particularly freshwater for production and cooling, as well as soil quality where applicable. Some sites are located in high water-stress zones, making these dependencies more critical. Risks from biodiversity degradation include legal exposure due to noncompliance, potential increases in operating costs, and reputational damage. Opportunities under exploration include eco-design and green innovation, although these are not yet formally integrated into strategy.



# ESRS E5 RESOURCE US AND CIRCULAR ECONOMY





At SGD Pharma, we recognize the importance of **efficient resource** use and the transition **toward a circular economy** in ensuring long-term sustainability. To support this commitment, we have established an HSEE Policy, which **partially addresses our approach to resource use and circularity**. The policy addresses some **material impacts, risks, and opportunities identified during the double materiality assessment**.

Through this policy, we commit to **reducing waste, optimizing waste management practices, and conserving natural resources** across the **entire lifecycle of our products**. This includes not only our own operations but also extends to our **upstream value chain**, ensuring that **sustainability considerations are embedded across the full production and supply process**.

**The COO is ultimately responsible** for overseeing the implementation of the HSEE Policy and ensuring its **alignment with the company’s overall strategy**. **The day-to-day responsibility** for managing and executing related actions falls to the **EHS and CSR Director**, who leads the **operational integration** of these principles within our facilities and processes.

**The HSEE Policy is publicly accessible via our corporate website**, demonstrating transparency and **encouraging engagement** with our sustainability commitments. While the policy reflects internal **priorities and commitments**, no external frameworks or references were used in its development. Nevertheless, it provides a **solid internal foundation** upon which further **circular economy initiatives** can be developed and expanded as we update our **sustainability roadmap**.



OUR SUSTAINABILITY GOALS IN WASTE MANAGEMENT FOCUS ON THREE KEY PILLARS:



Minimizing waste generation



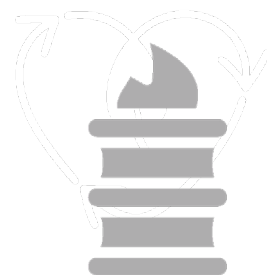
Promoting reuse and recycling initiatives



Reducing waste sent to landfill.

Our overarching strategy involves **leveraging shared best practices** across our various locations and **maximizing the use of internal cullet**, with an impressive **99.5% of our internal cullet being reincorporated** into our production cycles. This means that **almost all our production scrap is reused as a raw material**. In addition, we are **collaborating with peers in the glass manufacturing sector to identify and implement innovative cullet reuse opportunities**.

To address the challenge of **hazardous waste** produced during manufacturing, we are committed to implementing **effective recovery and pollution prevention strategies**. Our Saint-Quentin-Lamotte site exemplifies this commitment through **practices including:**



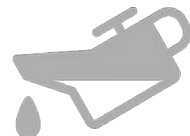
Energy-recovering incineration of contaminated waste



Metal recycling, including items like batteries and aerosols



Substance recycling, such as neon lights



Regeneration of used oils

These measures reflect our efforts to **responsibly manage waste** and reduce environmental impact, aligning with our broader commitment to **sustainability and ecological responsibility**.

Waste management





The **handling, storage, labelling, and transportation of hazardous waste** as SGD Pharma is governed by a **strict protocol** to mitigate risks and ensure environmental compliance. **Hazardous chemicals** are stored in **designated containers** with appropriate regulatory labels, organized by compatibility, and placed in **suitably sized retention trays**.

**Dangerous substances** are managed extremely carefully, with a **comprehensive database** that details the **nature, storage location, use, and quantity** of these substances on-site. Such rigorous management extends to the **documentation of safety data sheets** for every product, substance, and preparation, ensuring they are current and in the **local language**, thereby ensuring **safety and regulatory adherence**.

The **training of personnel in handling hazardous substances** is paramount. Workers are educated on the **inherent risks, proper use, and necessary protective equipment** for handling dangerous substances, in line with our commitment to safety and **environmental responsibility**. The **maximum quantities** of hazardous products allowed for storage are **conspicuously displayed** at storage locations, further embedding **safety into our daily operations**.

At all **our operational sites**, **waste is diligently managed**. **Hazardous waste is segregated** and stored in **designated areas**, specifically equipped to **mitigate any environmental or health risks**.

A **specialized service provider** takes care of all waste, adhering strictly to **government guidelines and recommendations**.

Hazardous waste management

Waste sourcing



In 2024, SGD Pharma continued to advance its commitment to **sustainability** by developing products and materials aligned with **circular economy principles**.

**Glass** inherently supports **circularity** due to its ability to be **recycled indefinitely without degradation of quality**.

A notable **innovation** in 2024 was the successful production of **glass bottles containing 20% post-consumer recycled (PCR) glass cullet** at our **Zhanjiang plant in China**. This initiative not only **decreases the use of virgin materials** but also **lowers carbon emissions** by reducing **energy consumption** during the melting process. **The PCR glass bottles** maintain the same **aesthetic quality, functionality, and safety** as conventional glass bottles, offering a **more sustainable packaging option** for our clients.

In addition, our **NOVA range** introduced **lightweight glass bottles** that **reduce GHG emissions by approximately 20%** compared with standard bottles. This reduction is achieved through **optimized design** that maintains **mechanical strength** while using less material, contributing to **lower transportation emissions** and greater **resource conservation**.

These developments exemplify **SGD Pharma’s dedication** to integrating **circular principles** into our **product design**, ensuring that our **packaging solutions** are not only effective and safe but also **environmentally sustainable**.

Waste Category	Amount (t)	Comments
Total amount of waste generated	11 946t	
Total hazardous waste	917t	
Recycled hazardous waste	81t	8,8% of hazardous waste
Total non-hazardous waste	11 029t	
Recycled non hazardous waste	7 423t	67,3% of non-hazardous waste
Total Non-recycled waste	3 519t	29,5% of total waste generated



OUR SOCIAL  
PERFORMANCE



SUSTAINABLE DEVELOPMENT GOALS  
COVERED IN THIS CHAPTER

3 GOOD HEALTH  
AND WELL-BEING

5 GENDER  
EQUALITY

8 DECENT WORK AND  
ECONOMIC GROWTH

10 REDUCED  
INEQUALITIES

TARGETS



0

Remain at Zero severe accidents per year by 2030



100%

permanent employees covered by an engagement survey over time and associated action plans deployed in all our geographies by 2026



100%

managers trained in the new management training curriculum by end of 2026



100%

positions graded and associated with a salary band by end of 2025



0

permanent Employees below adequate wage in the Group according to CSRD definition by 2026



75

All main geographies (France, Germany, India, China) at a minimum of 75 according to the French gender equity index by end of 2027



27

Average ratio of 27 training hours per employee and per year maintained over time





PIERRE-MICHEL BATAILLARD  
Group Chief Human  
Resources Officer

## MESSAGE FROM THE TOPIC OWNER

At SGD Pharma, we believe that **our people** are at **the heart of our success**. In 2024, we continued our efforts to strengthen our **HR practices** and deliver our vision of being a **responsible employer**.

Our **Human Resources policy** was defined in 2024 to realize this vision and **serve as a compass for all managers** in the company. It covers **6 main principles**:

- **Offer a safe work environment**
- **Train and develop people**, manage successions
- **Ensure equal opportunity** and **promote diversity**
- **Foster people empowerment and social dialogue**
- **Be an active player in the job market**
- **Guarantee integration into society to build a sustainable future**

In 2024, we initiated a major effort to **train our managers**: as a quick win, we launched the training of the **top 120 managers** of the Group on our HR cycle, presented later in this report, which covers performance management, talent development and compensation. Furthermore, we have launched a **new training curriculum for all managers** in the Group that will be deployed in 2025. This curriculum will cover a **‘M1’ path** for all managers and an **‘M2’ for managers of managers**.

**Gender diversity** is a **key priority** for SGD Pharma. We deployed the **French gender equity index** in all our **main locations** in 2024, as a common **measurement and continuous improvement tool**. This effort is supported by a Group roadmap we have fueled through our participation in the **UN Target gender equality program (TGE)**.

SGD Pharma launched its new corporate values in 2024: **Customer, People, Excellence, One team**.

These values, which define the way we want to **work together**, were deployed in all our geographies and will be progressively integrated into our **HR processes**. They are already taken into consideration in **performance management** with an impact on the **bonus calculation** of our **Managers and Professionals**.

At the end of 2024, we launched our **engagement survey** in India. Now, **100%** of our employees in the Group are covered by an engagement survey. This survey helps us define appropriate **action plans** to address relevant **local topics** and optimize **engagement**. After important **agreements** signed with our **unions in France in 2023** – on work life quality and equality in the workplace – we had work council elections in France and in China in 2024 to renew **employees’ representatives**.

To maintain our **attractiveness** on the **job market**, we had several **initiatives in 2024**. In China, we signed an **agreement with a technical college**: every year, a class of students will be available to join our teams after a **curriculum adapted to our needs**. In France, we reorganized our **recruitment capabilities** through a **business process outsourcing** with a major vendor. Throughout the Group, we also improved our employer branding by enhancing our presence in **digital space**.

We also reviewed our **strategy for charities and community development in 2024**, to gain **impact and consistency** with our overall strategy.



OUR WORKERS

In this report and previous ones, we consider our **workforce** to comprise all **employees** with a **direct contract** with SGD Pharma, as well as those of our **subsidiaries and affiliated companies**, but excluding those on **third-party contracts**, such as **contingent workers or service contracts**.

At SGD Pharma, we believe that our **employees are our greatest asset** in fulfilling our mission **to enhance and protect patient health** by delivering reliable and **innovative primary glass packaging** to the pharmaceutical industry. Therefore, **the interests, views, and rights** of people in our own workforce inform our **strategy** and **business model** [see ESRS 2 SBM-2].

We are committed to effective management of all **sustainability matters** related to our employees, specifically:



WORKING CONDITIONS & SOCIAL DIALOGUE

We ensure a safe, fair, and engaging workplace, fostering open communication through active social dialogue and collaboration with employee representatives.

HEALTH, SAFETY & WELL-BEING

Safety is our priority, with strict protocols, risk prevention initiatives, and well-being programs that promote both physical and mental health.

DIVERSITY & INCLUSION

We embrace diversity, ensuring equal opportunities and an inclusive culture where all employees feel valued and empowered.

CAREER MANAGEMENT & TRAINING

We invest in employee growth through training, mentorship, and career development programs, supporting long-term success within SGD Pharma.

THE IMPLEMENTATION OF OUR HR POLICY

Managed by the Group HR Director and the Group EHS and CSR Director, overseen by our CEO.

THE ROLE OF MANAGERS

Our managers also play a crucial role in implementing workforce policies and ensuring the effective deployment of HR processes and tools in close collaboration with the HR function. They are also responsible for embodying and promoting the four values of the company.



TOTAL EMPLOYEES

Headcount of employees (permanent and temporary included, interns and apprentices excl.) by geographical area as of 31/12/2024:

Countries	France	China	India	Germany	Other countries	Total
Female (Permanent employees' headcount)	231	292	78	28	17	646
Male (Permanent employees' headcount)	672	297	441	236	7	1653
Other (Permanent employees' headcount)	0	0	0	0	0	0
Female (Temporary employees' headcount)	7	234	119	7	0	360
Male (Temporary employees' headcount)	66	58	195	66	0	319
Other (Temporary employees' headcount)	0	0	0	0	0	0
Female (Non-guaranteed hours employees (headcount, FTE))	0	0	0	0	0	0
Male (Non-guaranteed hours employees (headcount, FTE))	0	0	0	0	0	0
Other (Non-guaranteed hours employees (headcount, FTE))	0	0	0	0	0	0
No information available (Non-guaranteed hours employees (headcount, FTE))	0	0	0	0	0	0
Total number of employees	976	881	833	337	24	2978



TOTAL EMPLOYEES

Country	Female Permanent	Male Permanent	Female Temporary	Male Temporary	TOTAL Employees
France	231	672	7	66	976
China	292	297	234	58	881
India	78	441	119	195	833
Germany	28	236	0	0	264
Other countries	17	7	0	0	24
Total employees	646	1 653	360	319	2 978

Characteristics	Number of workers
Number of workers who identify as non-binary/gender neutral	None
% of workforce that identifies as non-binary/gender neutral	None

Gender	Number of permanent employees (headcount)
Male	1,653
Female	646
Other	
Not reported	0
Total employees	2,299

There were no estimations for the calculations above, also no specific fluctuations in employee numbers during the reporting period that require additional contextual information.



Coverage Rate	Collective bargaining coverage		Social dialogue
	Employees - EEA	Employees – non-EEA	Workplace representation (EEA only)
	(For countries with >50 empl. representing >10% total empl.)	(Estimate for regions with >50 empl. representing >10% total empl)	(For countries with <50 empl.representing <10% total empl)
0-19%	-	India 0%	-
20-39%	-	-	-
40-59%	0	0	0
60-79%	0	0	0
80-100%	France 100% Germany 100%	China 100%	France 100% Germany 100%

FEMALE REPRESENTATION IN SENIOR POSITIONS

Management level	% of women
Top management	22%
Senior management	47%

Characteristics	Number
Women in ExCo	2
% total ExCo Members	22%
Women on the board	9



In 2024, SGD Pharma conducted a **comprehensive adequate wage analysis**, including all employees across our global operations.

This initiative reflects our commitment to **fair compensation and social responsibility**, aiming to guarantee that every **team member** earns a **wage that meets** their basic needs and supports a decent standard of living. It found that **99.3%** of our employees are paid an **adequate wage**. The remaining **0.7%**, employees at our Indian plant, will have their **salaries reviewed** after the analysis.

All of our employees are eligible for some form of **social protection**, either through **national public programs** or through **benefits** we provide as an employer. This provides **protection against income loss** in cases of **sickness, unemployment**, work-related injuries or **acquired disabilities**, as well as entitlement to parental leave, and **retirement benefits**.

S1-12– PEOPLE WITH DISABILITIES

WORKERS WITH DISABILITIES

Characteristics	Number of workforce
Number of workers that identify as disabled	49
Total workforce	2978
% of workforce that identifies as disabled	1.7%

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

Gender	% Participated in Performance & Career Development Reviews	Total hours of training
Male	100%	29429
Female	100%	43226
Other	Not applicable	
Total	100%	81000



Employee Category	Description	Number of Employees	% of Total Workforce	Notes (if any)
Executive Management	C-level, Board members	9	0,3%	Group Executive committee (EXCO)
Senior Management	Directors, business Unit Heads	36	1%	Group leadership team (GLT)
Middle Management	Department Heads, Managers	313	11%	Includes sales & marketing employees
Technical Staff	Engineers, Specialists	550	18%	
Administrative Staff	HR, Finance, Legal, Office Support	152	5%	
Production Staff	Factory Workers Operators	1 153	39%	
Other (if applicable)	Temporary Staff, etc.	765	26%	Includes temporary staff, does not include 86 interns and apprentices
Total		2 978	100%	



CHINA

Gender	% of employees entitled to family-related leave	% of entitled employees who took leave during 2024
Female	100%	39%
Male	100%	40%
Total	100%	39%

**China – Family-related leaves include:**  
Funeral Leave, Marriage Leave, Maternity Leave, Childcare Leave, Nursing Leave, Personal Leave, Prenatal Check-Up Leave, Paternity Leave, Breastfeeding Leave.

INDIA

Gender	% of employees entitled to family-related leave	% of entitled employees who took leave during 2024
Female	100%	Average No. of Female during 2024 was 81, out of which 2 employees have availed the Maternity Leave i.e. approximately 2%
Male	100%	Average No. of Male during 2024 was 471, out of which 27 employees have availed the Paternity Leave i.e. approximately 6%
Total	100%	5%

**India – Family-related leaves include:**  
Maternity Leave, Paternity Leave.

GERMANY

Gender	% of employees entitled to family-related leave	% of entitled employees who took leave during 2024
Female	100%	44.44%
Male	100%	5.45%
Total	100%	10.94%

**Germany – Family-related leaves include:**  
Maternity Leave, Parental Leave, Sick-Child Leave.

FRANCE

Gender	% of employees entitled to family-related leave	% of entitled employees who took leave during 2024
Female	100%	35%
Male	100%	30%
Total	100%	31%

**France – Family-related leaves include:**  
Sick Child Leave (paid or unpaid), Family Event Leave, Birth Leave, Paternity Leave, Maternity Leave, Back-to-School Leave.





SGD Pharma's HR policy includes the commitment to **"Make sure we do things right, respecting ethics and compliance rules"**. This commitment stands also in our **new corporate values** deployed in 2024; it is clearly stated in the **Excellence value**. This emphasizes our goal of ensuring **compliance** with all **international standards**, including **human rights standards** and **labor rights**, across all our operations.

We also adhere to the principles of the **UN Global Compact**, including those that state that **businesses should protect internationally proclaimed human rights** and ensure they are **not complicit in human rights abuses**.

In addition, our **Code of Ethics and Business Conduct** guides our **daily operations** and ensures our commitment to the **ILO Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**, when carrying out **day-to-day tasks** and managing our workers. We ensure that the Group strictly prohibits child labor, ensuring compliance with **ILO standards**.

We are deeply committed to fostering a **workplace culture** that champions **diversity and inclusion** at every level. As per the principle of ensuring equal opportunity and promoting diversity in our **HR Policy**, we do not tolerate **discrimination** in **hiring, pay, training, promotion**, or **dismissal** based on **race, gender, religion, disability**, or other personal attributes. As part of this commitment, we are proud to engage in initiatives such as the Target Gender Equality program and the signing of the **Women's Empowerment Principles**.

We clearly confirm in our **Code of Ethics and Business Conduct** that the Group does not practice any form of discrimination, direct or indirect, with regard to **hiring, remuneration, access to internships or training, professional development, or dismissal, promotion,**

**disciplinary sanctions, dismissal or retirement on grounds of race, ethnic origin, physical appearance, nationality, religion, age, disability, sex, political or philosophical convictions, family situation or health, sexual orientation, wealth, or membership of a trade union or political party.**

Our **Code of Ethics and Business Conduct** prohibits all forms of **forced labor** and the use of any form of **involuntary prison labor**. Employees are not required to post bonds or provide their employer with the **originals of their identity** documents and are **free to leave** their employment upon **reasonable notice**.

Furthermore, we aim to treat all employees with **respect and dignity**, with a **zero-tolerance policy for physical or psychological violence, harassment, or abuse**, and we enforce strict disciplinary measures where necessary.

Concerning our commitment to **engage with people in our workforce**, we commit to **measuring employees' engagement and satisfaction** on a regular basis and define appropriate action plans where necessary. We **encourage dialogue** with employees and, through our whistleblowing procedure, we also recognize **whistleblowing rights** and have set up a procedure for collecting reports, allowing all employees to express their opinions, state any concerns, and **report incidents**.

To **provide and enable remedy** for any **human rights impacts**, we deploy **preventive and curative actions** covering the **safety** and the **well-being** of our people. We are currently **reviewing our commitment** to provide remedy for other human rights impacts; this does not imply that we do not currently take action in case of infractions, but rather that we aim to have **formalized procedures** in place before we **communicate them to the public**.



Engagement with our workforce is a top priority. We believe that **open dialogue**, **mutual respect**, and **active participation** are essential to fostering a **positive working environment** and driving **long-term success**.

Responsibility for ensuring that **employee engagement** is implemented effectively lies at the **highest operational level** – with our **HR Director**, who holds **senior-level accountability** for overseeing all aspects of workforce engagement and social dialogue across the Group and the integration of results in our approach to managing our workforce. This includes **regular communication** with **employee representatives**, facilitating **feedback mechanisms**, and ensuring that our people are informed, involved, and supported throughout any **organizational changes** or **strategic initiatives**.

**EMPLOYEE ENGAGEMENT SURVEY**

In November 2023, SGD Pharma launched an **employee engagement survey**, ‘Your Voice’, which involved over **1,200 employees** from Europe (in France, Italy, Spain, and Germany) and the USA, with a **participation rate of 65%**. The survey aimed to explore key aspects of the work environment, such as safety, work-life balance, customer relations, and the **management of products and services**. This initiative shows SGD Pharma’s commitment to listen to the feedback and address the needs of our employees. The results have guided the development and implementation of **tailored action plans** specific to each location within the Group.

In 2024, the **Your Voice survey** was extended to include our operations in India, generating **97% participation**, and engaging employees at our local sites to better understand **region-specific needs** and **workplace dynamics**.

During 2026, we plan to extend the survey to our site in China, further expanding the **global reach** of this initiative. By consistently engaging with employees across regions, we aim to create a **culture rooted in transparency, accountability, and continuous improvement**, ensuring that every voice contributes to the **evolution of our organization**.

In future, we will conduct the **Your Voice survey** every two years through our operations. This **biennial rhythm** will enable us to **monitor trends, assess the impact** of implemented actions, and stay closely aligned with the **evolving needs and expectations** of our teams worldwide.

**GREAT PLACE TO WORK, ZHANJIANG, CHINA**

Our site in China was awarded the **Great Place to Work® certification** in 2023, recognizing our commitment to fostering a high-trust, **high-performance workplace culture**. To maintain this certification, we undergo an annual renewal process that includes the **Trust Index™ employee survey questionnaire**, which assesses employee perceptions and documents the practices that support our **workplace environment**.

**ELECTIONS AND RENEWAL OF THE WORKS COUNCIL IN FRANCE**

We conducted **scheduled elections** and renewal of **SGD Pharma’s Works Council** in France during 2024. This important **governance process** ensures that **employee representatives** are **democratically elected** to participate in discussions on key workplace matters, including **health and safety, working conditions, organizational changes**, and economic decisions affecting staff. The **newly elected employee representatives** will serve for four years, during which they will work closely with HR and management to maintain a **fair, respectful, and inclusive work environment** across our **French sites**.





## GLOBAL FRAMEWORK AGREEMENT AND OTHER AGREEMENTS DURING 2024

### CHINA: FRAMEWORK AGREEMENT ON INDUSTRIAL RELATIONS

In China, SGD Pharma has established a comprehensive **framework agreement** on industrial relations, aimed at promoting a **stable, transparent, and respectful working environment**. It serves as a foundational framework for cooperation **between management and employee representatives**, supporting **regular dialogue** on topics such as **working conditions, labor rights, dispute resolution, and employee development**. By formalizing this structure, we ensure that **industrial relations** are managed **proactively** and in **alignment with local labor laws**, while also fostering mutual **trust** and **engagement** across all levels of the organization. We had also **elections** in China to **renew employees' representatives** in our plant in Zhanjiang.

### FRANCE: AGREEMENTS ON PROFESSIONAL EQUITY AND WORK-LIFE QUALITY

In 2023 SGD Pharma **signed a comprehensive agreement** focused on **enhancing quality of life and working conditions** (Qualite de vie et des conditions de travail, or QVCT), which is viewed as a cornerstone of the company's social policy. The **QVCT agreement** encompasses a wide range of actions aimed at improving both **individual and collective well-being at work**, while also promoting the **quality and meaning of work itself**. This agreement addresses key themes such as **occupational health and safety, employee engagement, recognition, workplace atmosphere, and a sense of belonging**. It reflects the belief that the conditions under which employees perform their duties – and their ability to express **themselves** and

influence their work – directly impact their well-being and the **company's overall performance**.

SGD Pharma sees QVCT as a **driver** of both **social and economic** performance and is committed to a continuous improvement approach to **improving working conditions**. The initiative builds on previous agreements on professional **equality, diversity, and the management of jobs and career paths** (gestion des emplois et des parcours professionnels, or GEPP).

Before the formal negotiation of the agreement, employee **consultation workshops** were conducted locally across French sites to **gather direct feedback**. Each session included both **employees and union representatives**. A synthesis of the feedback was shared with the unions to support the negotiation process.

### ASSESSING ENGAGEMENT EFFECTIVENESS

We primarily assess the **effectiveness of workforce engagement** at SGD Pharma through **structured social dialogue** with **employee representatives** and the results of our employee surveys. These tools help us monitor employee **well-being** and **identify material negative impacts**, such as **psychological health risks** (e.g., stress, burnout and isolation) and **work-related health issues** (e.g., musculoskeletal disorders, chemical exposure and sedentary risks). **Management plays a key role** in addressing these impacts by translating feedback into **concrete action plans**, improving workplace conditions, and promoting a culture of prevention, care, and continuous improvement.





INSIGHTS INTO WOMEN

We are **deeply committed** to fostering a workplace culture that **champions diversity** and **inclusion** at every level. As part of this commitment, we proudly participate in the **Target Gender Equality (TGE)** program and we signed the **Women's Empowerment Principles (WEP)** in 2023.

These initiatives provide us with **valuable insights** into the experiences of **women in the workplace**, highlighting areas such as **leadership representation**, access to **development opportunities**, and **work-life balance**. In 2024, we integrated these insights into our action plan, translating them into **concrete measures** aimed at strengthening **gender equity**, **enhancing inclusive leadership**, and **creating a more supportive environment** for all employees.

In 2024, we applied the **French index** on gender equality across all our locations to evaluate **access to equal opportunities**. The highest result was achieved in **China**, with a score **99.5/100**, showing excellent level of equality in the plant. As a result, our **General Manager APAC Frederic Barbier** has been invited as a **speaker to He for She event**, organized in China by the CCI.

We believe that, by **embracing diversity** and fostering an **inclusive workplace**, we not only strengthen our organization but also **enrich the experiences of our employees**, clients, and communities. Participation in initiatives like **TGE** and **WEP** reinforces our shared vision of **equality** and **empowerment** in action.

INSIGHTS INTO WORKERS WITH DISABILITIES

As part of our ongoing commitment to inclusion, SGD Pharma **launched a dedicated initiative** during our **Disability Awareness Week** in 2024 to **better understand and support employees with disabilities**. This initiative builds on the foundations laid by our **Professional Equality** and **Diversity Agreement**, with a strong focus on making inclusion more actionable and site-specific.

**Each site in France** has a designated disability representative to serve as a **focal point of contact for employees**. Their mission is to **support, guide**, and **raise awareness** on **disability-related matters** within the workplace.

To deepen our understanding, **we provide an anonymous self-diagnostic questionnaire**, allowing employees to assess **their eligibility for recognition** as a disabled worker (RQTH status). This **14-question tool** offers valuable and **confidential insights** into how many of our employees may be living with a visible or invisible disability and **helps us better identify the types of support and accommodation** that may be most needed across our sites.

Through this initiative, we have **gained first-hand insights** into the lived experiences, needs, and potential barriers faced by employees with disabilities, **enabling us to shape future actions** with more **relevance, sensitivity, and impact**.





**INCLUSION OF EMPLOYEES WITH DISABILITIES, ZHANJIANG, CHINA**

SGD Pharma’s APAC Business Unit has been at the forefront of fostering inclusivity and empowerment, especially for individuals with disabilities. Since 2017, our partnership with the Zhanjiang school for the disabled has been a cornerstone of this commitment. Over the past six years, this collaboration has led to the hiring directly from the school of 20 talented individuals with hearing disabilities. Ten of these employees are still part of our team today, and we’re always looking to welcome more whenever possible. This relationship has not only made SGD Pharma the second-largest source of employment for the school’s graduates but also their preferred employer.

**PREVENTING AND ADDRESSING IMPACTS ON OUR WORKFORCE**

Our primary aim when it comes to our workforce is the prevention of negative impacts. We believe that the most effective way to protect our employees' well-being is by proactively seeking insights into workplace conditions and workforce attitudes across all segments of our workforce and in all geographies where we operate.

This is achieved through the mechanisms of engagement described above. We are able to identify potential risks early, tailor our response strategies, and implement preventive measures – whether related to occupational health, psychological well-being, equality, or working conditions.

When material negative impacts do occur, we engage with affected employees and representatives to ensure a timely and effective remedy, while always focusing on learning and improvement to prevent recurrence.

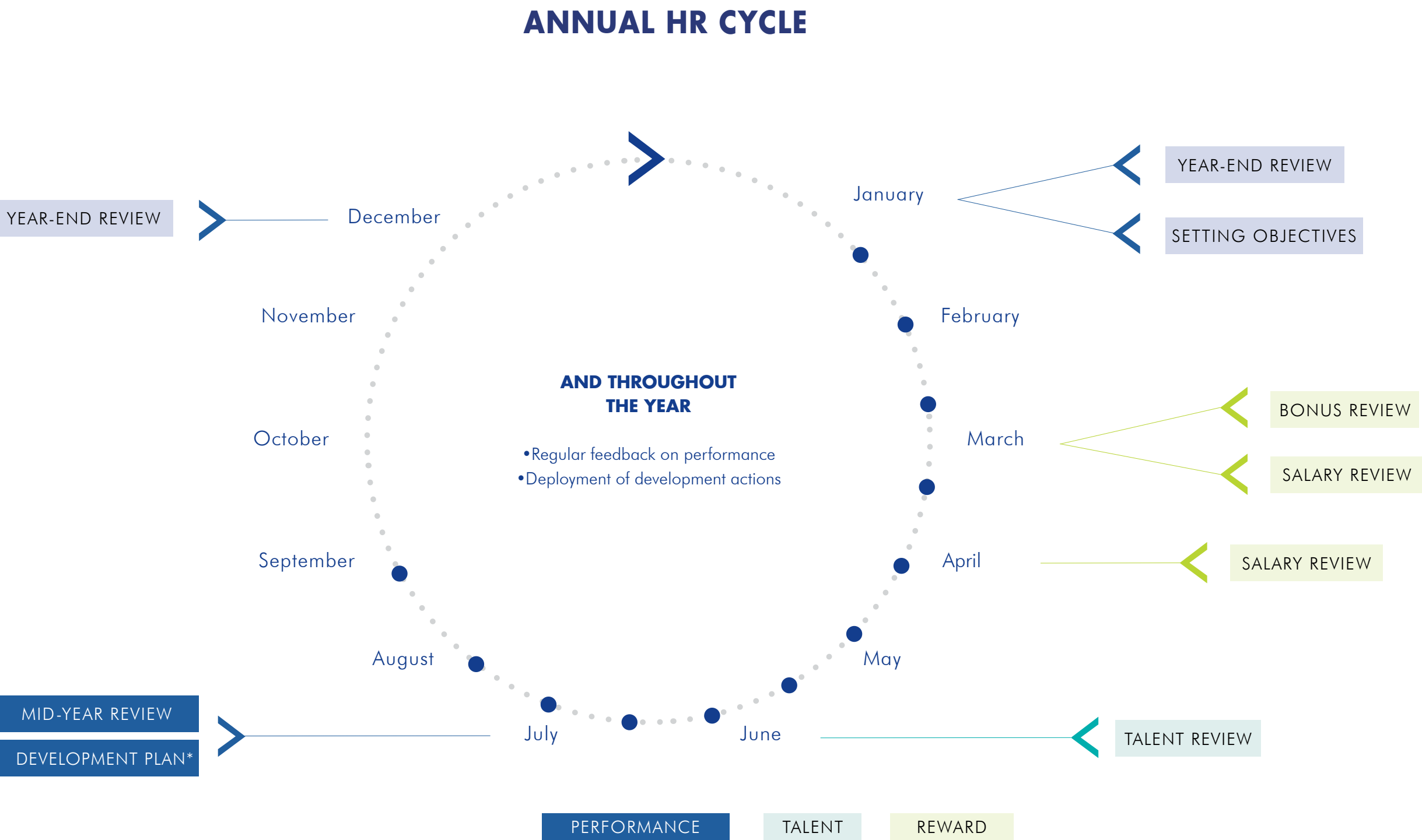
**CHANNELS FOR OUR WORKERS TO RAISE CONCERNS**

We encourage all employees to use our whistleblowing procedure as a safe, confidential, and retaliation-free way to raise concerns, express doubts, or report suspected misconduct. This mechanism is a cornerstone of our commitment to transparency, accountability, and ethical conduct.

To ensure that all employees are aware of and comfortable using the alert system, we actively promote it through internal communication and mandatory training. These initiatives clearly explain when, why, and how to use the channel, and stress that speaking up is both supported and protected. We regularly remind employees in internal communications that they are fully protected against any form of retaliation and that anonymity is respected when choosing to report concerns confidentially.

Alerts received through our whistleblowing channels are handled with the utmost confidentiality and diligence. Regardless of how the alert is received, it is promptly forwarded to the designated team responsible for alert management and investigation. Access to these alerts is strictly limited to authorized individuals, ensuring confidentiality and protecting both the whistleblower and the integrity of the process. All actions taken during the handling of an alert are documented and logged, allowing full traceability throughout the investigation process. The team responsible for managing and investigating alerts is composed of members of the Compliance Committee, ensuring a structured, impartial, and thorough approach to each case. This procedure guarantees that all concerns raised are addressed transparently, fairly, and in accordance with our commitment to ethical conduct and employee protection.





The annual 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 **rewards** (or compensation). It is also a **managerial commitment**: to **spend quality time** throughout the year with our people, have an **open dialogue** with them on their development, ensure a **fair assessment** of their performance, and **invest in their development**.

**REGULAR ASSESSMENT OF INDIVIDUAL PERFORMANCE**

We are committed to **fostering a culture of excellence** and **recognition**, and we integrate **annual performance assessments** and **salary reviews** into our structured HR cycle. This systematic approach ensures that the professional achievements and contributions of our employees are **accurately evaluated** and duly **rewarded**. By **aligning** these evaluations with our **organizational goals**, we not only demonstrate our dedication to personal and **career development** but also **maintain a transparent** and **meritocratic environment**.

**TALENT REVIEW**

SGD Pharma undertakes a talent review **annually**. This is a cornerstone of our **strategic HR** planning and development process. The annual review carefully evaluates employees **based on their performance, potential**, and alignment with our **organizational goals** and serves as a critical mechanism for **identifying** and nurturing **talent** within the organization.

Following this evaluation, we devise **tailored development plans**, which may encompass opportunities for **mobility**, **specialized training**, **project assignments** and **mentoring programs**. We also have **succession plans** in place to **prepare for the future** and mitigate risks of key people leaving. This proactive approach ensures that we not only recognize and **cultivate the talents** of our workforce but also strategically position the company for **future growth** and **innovation**.





### CAREER DEVELOPMENT AND MOBILITY

At SGD Pharma, we have designed an **annual HR cycle**, an integrated approach to our people’s development that covers **management of individual performance, talent development and compensation**. This cycle represents a **strong commitment** from the company and an important process to **mobilize employees, managers** and the **HR team** throughout the year. It is not always possible to have the right skills immediately available **for every position**, meaning that we need to consider **training as a key priority**. Training not only supports product quality, but it also contributes to **employees' safety** and **engagement** and helps **offer attractive careers** in our company. Besides training, our development plans can also **involve mentoring, coaching, assignments** on specific **missions, internal mobility**, etc.

### TRAINING

We have an **extensive infrastructure** in place to train our **people** and **meet** our commitments to our customers and their patients. **Competency matrices** are deployed throughout the company to **measure potential skills gaps** and **deploy relevant training** plans adapted to every situation. These matrices also contribute to employees’ **motivation** and **development**.

Training can **be formal** or **on the job** and can be delivered by **our internal trainers** (available in our five plants) or purchased from external partners. Over the last four years, we have also developed **digital training programs** on our **360-degree learning platform**. We have more than **100 internal trainers** leveraging this platform.

With **81 000 hours** of training delivered in 2024, an average of **27 hours per employee**, we are investing significantly in the skills and development of our people. We are also currently preparing a **new training curriculum for managerial training, ranging from proximity managers to leaders** of the company. We are continually **renovating** our training centers in our plants; we opened a **new training center in Sucy-en-Brie** in the first quarter of 2024. In France, we also signed in 2024 an **agreement with a glass producer** owning a large technical training center. With this agreement, our employees **have access to a comprehensive training infrastructure covering all the functions of glass production**: batch furnace, hot end, cold end... In addition, a central goal for our training plan is to guarantee that **every employee participates in at least one training course annually**, reinforcing our commitment to personal and professional development. This approach not only aligns with our strategic imperatives but also **helps to lay a common methodological foundation across the Group**, fostering a sense of unity and shared purpose, across our workforce.

### PRACTICES RELATING TO PROCUREMENT, SALES AND DATA USE

We ensure that **our own practices** – across procurement, sales, data use, and day-to-day operations – do **not cause or contribute to material negative impacts** on our workforce. This commitment is embedded in our **Code of Ethics** and **Business Conduct**, which serves as a **guiding framework** for **ethical behavior** and responsible **decision-making** throughout the company. Our Code outlines clear expectations for **fair labor practices, non-discrimination, health and safety, respect for personal data, and responsible sourcing**. These principles apply across all functions and are regularly communicated through **training** and **internal policies**.







Our commitment to ensuring a **safe work environment** is highlighted by our belief that achieving **zero accidents is in our hands**. Once again this year, we brought this commitment to life during **Safety Week**, which was held in June 2024 across all our facilities. The week involved every employee in a focused effort to enhance **safety awareness**, **share effective practices**, and **reinforce a strong safety culture** throughout our organization.

The activities ranged from engaging and interactive workshops to **motivational talks**, all designed to equip our team with the knowledge and skills to **safeguard their own well-being** and that of their colleagues. By reflecting on Safety Week, we are reminded of the **power of collective action** in creating a workplace that is not only safer but also **healthier** and more **productive**. It is a testament to **our dedication** to turning our safety commitment into tangible, day-to-day practices, emphasizing the vital role everyone plays in maintaining a secure working environment.

This initiative is fully aligned with the **principles** and **objectives** outlined in SGD Pharma’s HSEE Policy and directly contributes to mitigating material negative impacts on employee health and safety, such as exposure to work-related accidents, risk of musculoskeletal disorders, and other occupational hazards, as identified in our **double materiality assessment**.

**8 million working hours without a lost-time accident**, Zhanjiang, China. In September 2024, the Zhanjiang plant achieved an outstanding milestone: 8 million working hours without a lost-time accident. This exceptional result reflects the site’s strong safety culture and unwavering commitment to protecting its workforce.

To celebrate this achievement, the Zhanjiang operations team hosted a **ceremony** on 16 October, attended by **Group CFO Philippe Pourquery** and **COO William Ledger**. During the event, William Ledger presented a commemorative trophy to General Manager Frederic Barbier and Deputy General Manager Zheng Chunyan, in **recognition of the team’s dedication to safety excellence**. This accomplishment stands as a proud moment for the entire site and underscores our ongoing belief that a zero-accident workplace is both achievable and sustainable through vigilance, teamwork, and a shared safetyfirst mindset.



**SAFETY WEEK 2024**

**WHAT HAVE  
I DONE TODAY  
TO IMPROVE  
SAFETY?**



**ZERO ACCIDENTS IS IN OUR HANDS**



INDICATOR	VALUE
FR1 – Lost time injury rate	2.74
% of workforce covered by health and safety management system	100 %
Number of fatalities (work-related injuries and work-related ill health)	0
LTA + NLTA (Lost-time accidents + no lost-time accidents)	25
Number of days lost (due to work-related injuries, ill health, and fatalities)	655

*\*Fatalities were included work-related injury in the calculation of the number and rate of recordable work-related injuries.*

*We include cases of work-related ill health in line with the ILO List of Occupational Diseases. This covers a range of conditions such as musculoskeletal disorders, respiratory issues, and mental health conditions that are caused or aggravated by work.*





Targets and Disclosure criteria	100% permanent employees covered by an engagement survey over time and associated action plans deployed in all our geographies by 2026	100% main geographies (France, Germany, India, China) at a minimum of 75 according to the French gender equity index by end of 2027	100% of managers to complete the new management training curriculum by 2026	100% of managers and professionals' positions to be graded with a universal methodology and benchmarked with a compensation market reference by 2025	Zero accidents	Average ratio of 27 training hours per employee and per year maintained over time	Zero permanent Employee below adequate wage in our sites by 2026
Relashionship to policy objectives	Supports our commitment to Social dialogue	Supports our commitment to gender equity	Reinforces our leadership model and values-based management approach within our HR and ESG Strategy	Ensures equal opportunities	Reflects our commitment to employee health and safety	Supports our commitment to skills development	-
Target level (absolute/ relative, unit)	100% of sites globally	100% of our permanent workforce 100% of managers globally completing	100% of managers globally completing training	100% of managers and professionals' positions	Zero accidents	27 hours of training per employee	Zero employees under the adequate wage
Scope (activities, value chain, geography)	Global	All geographies	All managerial staff across sites and business functions	Global	Our operations, including temporary workers or contractors on sites	Global	Global



Baseline value and base year	Base value: 0% Baseline: 2022	Base value: 65 for Germany, 64 for India, 83 for France, 99 for China Baseline:2023	Base value: 0 % Baseline: 2023	Base value: 10% Baseline: 2022	Base value: 1 (severe accident) Baseline: 2023	Base value: 26 hours Baseline: 2023	-
Target period and milestones	2025	2027	2026	2025		Over the next years	2025
Methodologies and assumptions	HR verifies completion rates	HR verfies and calculates Gender equity index	HR verifies completion rates	HR verifies completion rates	Number of recorded accidents in all our operations	Training hours divided by total employees	The applicable adequate wage benchmark according to EEA and outside EEA
Performance against target			Rollout began in 2024; progress monitoring begins mid-2025	Rollout began in 2024; progress monitoring begins mid-2025	Daily records and monthly monitoring in EHS dashboard	25h hours during 2023	99.3% above the adequate wage during 2024
Based on scientific evidence (if environmental)	Not applicable						
Stakeholder involvement	Our workers and concerned third parties						
Changes in target/metrics	No changes to date						



Indicator	Value	Notes and contextual information
Total number of incidents of discrimination (including harassment) reported (a)	0	Based on internal and external reports across operations
Number of receivable complaints filed through internal grievance channels (b)	2	Includes whistleblower channels, HR mechanisms, etc.
Total amount of fines, penalties, and compensation related to (a) and (b)	0	Aligned with financial statements
Contextual information (if applicable)	0	Methodology, scope, reporting process, privacy considerations, etc.
Number of severe human rights incidents (e.g., forced labor, human trafficking)	0	Indicate how many breaches UNGP, ILO, or OECD guidelines
Amount of fines, penalties, or compensation for severe human rights cases	0	Aligned with financial statements



# ESRS S2 WORKERS OF VALUE CHAIN



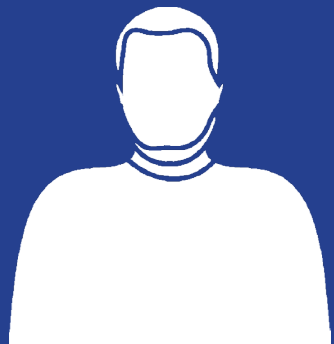


TARGETS



100%

of critical suppliers evaluated on environmental practices by the end of 2025



100%

of critical suppliers evaluated on social practices by the end of 2025



100%

of critical suppliers signed the Supplier Code of Conduct and Ethics by the end of 2025







**BIHAG SHAH**  
Group Purchasing  
Director

## MESSAGE FROM THE TOPIC OWNER

**Sustainable purchasing** remains a cornerstone of SGD Pharma’s **CSR strategy**. Our commitment extends beyond compliance; it is a continuous journey toward **ethical sourcing, environmental responsibility, and supply chain transparency**. In 2024, we took significant steps to strengthen our collaboration with suppliers, ensuring that our procurement practices align with **global sustainability standards** and **drive positive impact**.

One of the highlights of the year was the **Supplier Day** we held in **Europe**, where we engaged without critical suppliers to emphasize **the importance of sustainable purchasing practices**. We also reassessed **our suppliers** using **an updated internal questionnaire**, now aligned with the **UN Global Compact** and the **Women’s Empowerment Principles**, reinforcing our dedication to **human rights, fair labor practices, and gender equality across** our supply chain.

In addition, we deepened our engagement with suppliers who **scored lowest in our internal CSR assessments**, holding discussions to **understand their challenges** and **identify opportunities for improvement**. To enhance **due diligence**, we conducted a conflict minerals assessment for **all critical suppliers of SGD Group SAS** and **provided specialized training** for our purchasing team on conflict minerals, ensuring that **our sourcing remains both ethical and responsible**.

Looking **ahead to 2025**, we will continue building on these efforts by:

- Sharing feedback with **all critical suppliers** based on the **2024 evaluation**, encouraging continuous improvement.
- Developing and implementing a **new sustainable procurement process**, integrating best practices to further strengthen transparency and accountability.
- We recognize that **sustainable purchasing is not a one-time effort** but an **ongoing commitment** to responsible sourcing and supply chain integrity. By fostering long-term partnerships with **ethical and sustainability-driven suppliers**, we are ensuring that our procurement decisions contribute to a more sustainable and **resilient future**.





SGD Pharma **operates globally**, with the continuity of our operations relying on **an extensive value chain**. With sites in France, Germany, India, and China, we recognize that our direct and indirect impacts, as well as our business interactions, extend **far beyond our own workforce**.

In our business of **manufacturing pharmaceutical glass**, impact management naturally **focuses upstream**, due to the **critical role of raw material sourcing and logistics**: **six out of eight** of our **material impacts, risks, and opportunities** related to **value chain workers were upstream of our own operations**. We work with a **vast network of suppliers** and recognize that some may operate in **regions vulnerable to potential violations** of the **UN Guiding Principles on Business and Human Rights**, the **ILO Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**, particularly regarding **labor rights**. In 2023, **400 suppliers** were **identified as critical** and underwent a CSR performance assessment during 2024/2025. Around 400 critical suppliers account for more than **95% of our operational coverage**.

Our current approach is to **collaborate closely with suppliers who share our values, promote transparency, and actively work to reduce our carbon footprint**. Our partnerships with **like-minded suppliers** and our investments in **eco-friendly technologies** reflect our commitment to a more **sustainable and ethical world**, whether by cutting **carbon emissions** or **promoting fair trade** and **responsible sourcing**.

Our recent **double materiality assessment** has made us **more aware of our downstream impacts**, specifically **negative impacts on health and quality of life** due to **excessive working hours** and **psychological health risks**.

Consequently, in future, we aim for all partners (downstream and upstream) across **our global value chain** to share **our CSR values by including them in their policies and procedures**. We strive to ensure that all our partners uphold our standards when it comes to **human rights, social responsibility, ethics, health and safety, and environmental protection**.

**We have not identified any specific geographic areas or commodities within our value chain that present a heightened risk of human rights violations. Likewise, no group of workers has been identified as particularly vulnerable to adverse impacts.** Nevertheless, our policies and mechanisms aimed at our suppliers **pay considerable attention to child labor**, and we remain committed to continuously enhancing our **due diligence processes and risk assessments** to detect and address both actual and potential violations.



**SUSTAINABLE PROCUREMENT POLICY MANAGEMENT**

The **Supplier Code of Conduct** establishes the **ethical** and **sustainable business standards** that **all global suppliers and service providers must uphold**, including all workers within their organizations. It is aligned with the **10 core principles of the UN Global Compact** and addresses **four critical areas**: ethics; labor and human rights; health and safety; and environmental management.

The **code is connected** to and governs our **Purchasing Policy**, which establishes **clear guidelines** for purchasing practices at SGD Pharma. It applies to **all employees** involved in procurement and ensures **they understand** and **adhere** to the company’s **purchasing procedures**. This policy promotes **transparency** and **accountability in the purchasing process** across all company divisions, to minimize risks involved in choosing critical suppliers.

Both the **Supplier Code of Conduct** and the **Purchasing Policy** dictate that **selected suppliers** are expected to **uphold the human rights of their workers**, treating them with **dignity** and **respect**. This includes providing freely chosen employment, complying with **legal age requirements** for recruitment to prevent child labor, **protecting young workers**, and ensuring **non-discrimination** and **fair treatment** for all employees.

By implementing these standards, we not only ensure compliance with ethical business practices and regulatory requirements, but **we also actively work to minimize and prevent any negative material impacts on upstream workers**. SGD Pharma firmly expects all of our critical suppliers to embrace and implement the principles outlined in this **Supplier Code of Conduct**.







## ENGAGEMENT WITH VALUE CHAIN WORKERS

Our **Supplier Code of Conduct** emphasizes engagement with our suppliers' workers. We **encourage suppliers** and their employees **to use our online whistleblowing procedure to report any violations** of international regulations or breaches of our code. This initiative aims to foster an environment of **transparency** and **integrity**, ensuring that **any concerns are addressed** promptly and effectively.

We also engage with the **proxies of upstream value chain** workers during **audits**. The implementation of policy and processes principles is managed by the **Group Purchasing Director** and is overseen by the **CEO** and **COO**.

## EUROPE SUPPLIER DAY 2024

SGD Pharma's **Europe Supplier Day**, held on 18 June near Paris, was a resounding success, bringing together around **100 key stakeholders from across the glass and sustainability ecosystem**.

Attendees included major suppliers in areas such as **glass technologies, energy, raw materials, logistics, and packaging**, as well as NGOs like the **United Nations and Reforest'Action**. This event also brought **together important actors** involved in **SGD Pharma's global CSR strategy, fostering dialogue and collaboration on sustainable development goals**. This event was organized for the **first time in Europe**. A **similar Supplier Day** was held in China in 2023, marking the beginning of a broader **global initiative to strengthen supplier engagement** and align with **SGD Pharma's sustainability commitments**.

## REVIEW OF DOWNSTREAM COMPLIANCE MECHANISMS AND FORMALIZING PROCEDURES IN 2024

In 2023, we began a **review of our compliance mechanisms and formalized procedures** related to downstream **due diligence on conflict minerals**. As part of this initiative, we added a **regulatory question** to a questionnaire addressed to **all our suppliers** regarding the topic, strengthening our **ability to identify and mitigate risks** associated with **conflict minerals** in our supply chain.

This **process is part of our broader responsible sourcing strategy**, with the goal of achieving **100% implementation by December 2024**.



# ESRS S3 AFFECTED COMMUNITIES

SGD PHARMA



2024



We recognize that our **local communities** are **important stakeholders** in our operations. We are committed to ensuring that our business operations are sensitive to the **unique needs** and **characteristics** of the diverse communities in which we operate. We consider the geographical scope of our operations to be a **key factor** in understanding the **specific social, environmental, and economic needs** of these communities. In line with ESRS 2 – SBM 2, we continue to strengthen our efforts to **create value** for these communities by integrating their views, interests, and rights into our strategy and business model. We view affected communities as **key stakeholders**, whose concerns directly inform the initiatives we undertake.

Our previous sustainability reports **demonstrate our commitment to remaining proactive in establishing social partnerships with local authorities, reinforcing our civic responsibility.** Therefore, we see our local communities not just as places where we operate, but as partners in our business journey. We integrate local considerations into our decision-making processes, from environmental protection to job creation and community health. By supporting **local education, promoting employment opportunities, and investing in sustainability initiatives**, we aim to **strengthen the communities that support us.**

**Local communities are also represented by NGOs with whom we partner to ensure their voices are heard.** Through these collaborations, we strive to drive positive change and contribute to a sustainable future for both our business and the communities we engage with.





LOCAL INITIATIVES IN INDIA IN 2024

Location	Action and description
Dhamaghanapur school near Vemula	<ul style="list-style-type: none"><li>• Borewell drilling: Ensuring continuous water supply for the school’s daily needs.</li><li>• Floodlight installation: Improving security and visibility at night around the school.</li><li>• Electrical work in washrooms: Enhancing lighting and ventilation in washrooms.</li><li>• Motor pump installation: Ensuring a steady water supply from the borewell.</li><li>• Trolley dustbins provided: To enhance a hygienic school environment</li></ul>
Nelikondi School, near Vemula	<p>Display board installation: Increasing school visibility and identity.</p> <p>Renovation of washroom taps and washbasins: Improving functionality and hygiene standards.</p> <p>Kitchen roof replacement: Creating a safer and better cooking environment.</p> <p>Fencing works: for the safety of school children Trolley dustbins provided: To enhance a hygienic school environment</p>
Appampally and Vundyala schools	<p>Provision of furniture: Supplied desks, chairs, and tables for school teachers, as well as microscopes and other essential items to enhance the learning environment.</p> <p>New washroom constructed and trolley dustbins provided: To enhance a hygienic school environment</p>
Devarkadra Degree College	<p>Electrical and plumbing upgrades: Installation of ceiling fans, lights, electrical wiring, and plumbing facilities in classrooms and wash-rooms to improve infrastructure.</p>



LOCAL INITIATIVES IN INDIA IN 2024

Location	Action and description
Vademan ZPH School	Provision of desks, tables, and chairs: Improving classroom and teacher workspace for better learning conditions.
Devarkadra and nearby schools	Procurement of bicycles: Purchasing 300 bicycles to improve mobility and access to education for students.
Vemula Village	Introducing streetlights in the main road to Vemula village: To improve safety and visibility in the area.
Touch Orphanage, Mahbubnagar	Kitchen equipment provision: Providing kitchen equipment, such as a cooking gas stove, a boiler, and steamer for rice, as well as dining tables to enhance food security and nutrition for the children.
Janampet village primary Health centre	Providing emergency medical infrastructure: Provision of ECG machines, Incubators for newborn children, patient beds, an autoclave sterilizer, and other equipment installed at the Janampet village health centre to improve healthcare access for the local community



LOCAL INITIATIVES IN CHINA IN 2024

Location	Action and description
Zhanjiang	<ul style="list-style-type: none"><li>• Joining new foundation: In discussions to join the Zhanjiang Foundation for the protection of white dolphins, contributing to marine conservation efforts.</li><li>• Mangrove nomination: SGD Pharma was officially nominated as a member of the Zhanjiang Mangrove Foundation for a three-year term, supporting environmental sustainability and biodiversity.</li><li>• Mangrove planting: SGD Pharma supported the planting of 100 mangrove trees in December, bringing the total to 11,618, surpassing the initial target of 10,000 trees.</li></ul>
Craftsman Technician School, Zhanjiang	Partnered with Zhanjiang Technician School to prepare a future work-force, as 200 employees are expected to retire by 2029.

ESG AWARD - SUSTAINABILITY INFLUENCER, ZHANJIANG, CHINA

In **recognition** of our ongoing commitment to **environmental and social responsibility**, SGD Pharma’s team in **Zhanjiang** was honored with the ‘**Sustainability Influencer**’ **ESG award**. This award celebrates organizations that **actively champion sustainable practices**, lead by example, and **positively influence their ecosystems** through impactful ESG initiatives.

The award particularly **acknowledged** our achievements in:

Mangrove reforestation: Planting over 10,000 mangrove trees, contributing to biodiversity, carbon capture, and coastal protection in the Zhanjiang region

Local community engagement: Collaborating with schools, local authorities, and environmental foundations to raise awareness and implement green initiatives

Employee involvement: Fostering a culture of sustainability within the workplace by encouraging employee participation in volunteer programs and eco-projects.

This recognition **affirms our role** not only as an industrial leader, but also **as a responsible corporate citizen influencing meaningful change** in the communities we serve.



# ESRS S4 CONSUMERS AND END USERS





We are dedicated to **improving** and **protecting patient health** by providing pharmaceutical clients with **high-quality, reliable, and innovative** primary glass packaging.

We recognize the patient as **the ultimate end user** of the pharmaceutical packaging we produce, and we ensure that health outcomes and patient safety guide **every decision we make**.

To support this, we continue to invest in **quality, innovation, and workforce training** across our sites in France, India, China, and Germany, strengthening our ability to deliver on quality and safety commitments.

As consumer awareness around **sustainability increases** – particularly in sectors like beauty and cosmetics – we take our role to lead the **decarbonization of our Industry very seriously**. As a leader in glass pharmaceutical packaging, we are actively adapting our product offerings to align with **growing environmental expectations**.

This is supported by a **strong culture of transparency and accountability, including clear reporting on product health and safety compliance**.

Through this integrated approach, we continue to meet the needs of our clients while contributing to improved outcomes for patients and healthcare professionals globally.

**For more insights** into our stakeholder engagement, see the ESRS 2-SBM 2 section of this report.





CUSTOMER SATISFACTION SURVEY

We place great importance on listening to our customers and continuously improving our products and services. To support this commitment, we conduct a customer satisfaction survey every three years, in the form of a structured question and answer assessment. This survey allows us to:

- Gather direct feedback on key aspects such as product quality, delivery performance, customer service, development of new products and technical support
- Identify areas for improvement and implement targeted action plans
- Strengthen relationships with our clients by showing them that their voices are heard and valued.

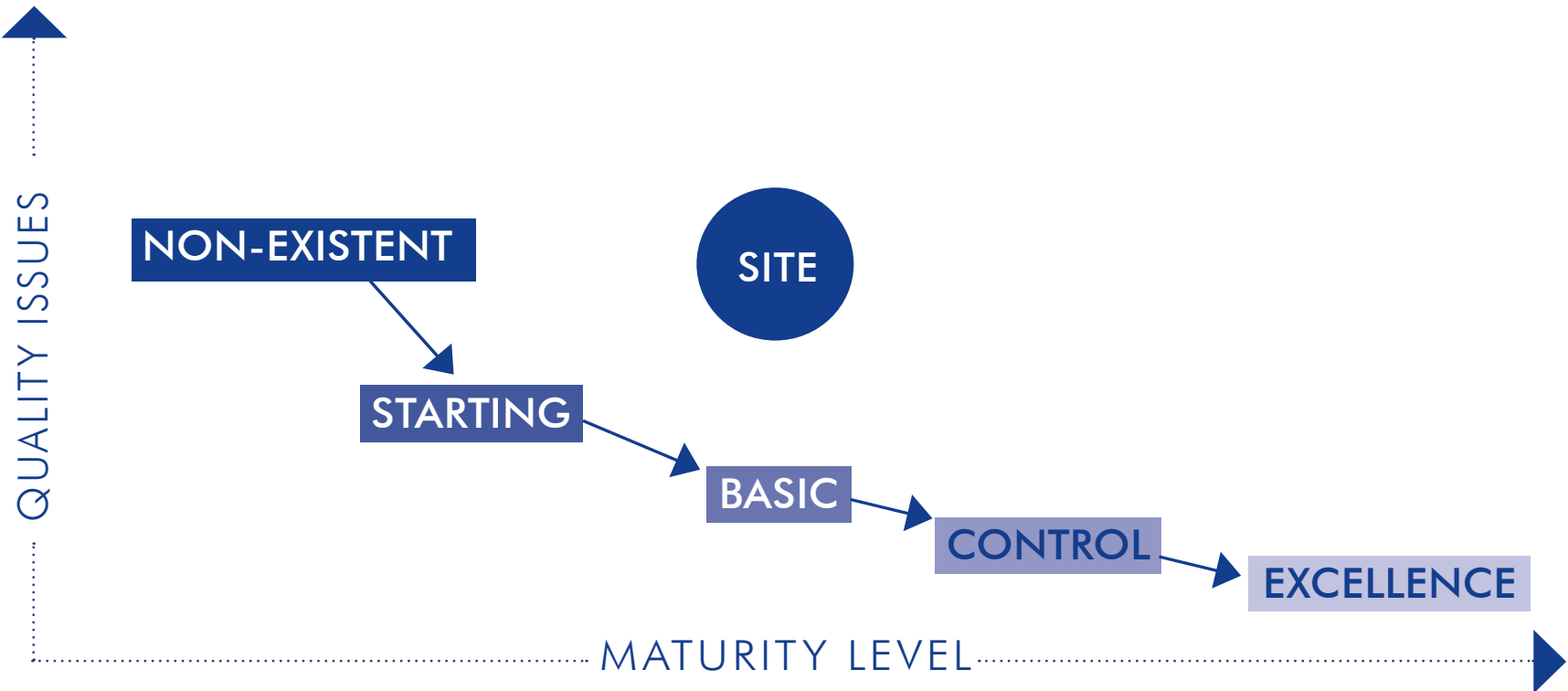
We closely track **quality progress at SGD Pharma** through a structured set of **KPIs**, including internal and customer **Parts Per Million (PPM)** rates, the number of claims, and the effectiveness of **Corrective and Preventive Actions (CAPA)**. These **indicators** are reviewed regularly to ensure alignment with our **quality** objectives. We have achieved **measurable improvements** over time.

To **strengthen** our **performance**, we stress a **proactive approach to quality management** and **customer support**, particularly across **key markets** such as the **United States and Asia-Pacific**. In parallel, we continue to develop a **robust regulatory support framework**, tailored to **evolving customer needs**, an effort that has been steadily increasing since **2017**.

Our commitment to **quality maturity** remains central and is assessed through cross-audits conducted across **plants** in **December and January**, ensuring **consistency, accountability, and progress** at every level of the **organization**.

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

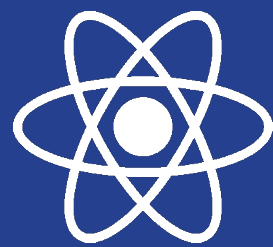


MATURITY LEVEL

- 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 immediate actions.
- 2. BASIC**  
Requirement met in a limited 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, with habitual application by staff.
- The level of maturity is "best practice", with no further improvement possible.  
It can be used as a model for other sites.



ACHIEVEMENTS DURING 2024



Pharma mindset developed in SGD DNA (training sessions developed at each plant and at our headquarters)



Recruitment of people with track record in pharma



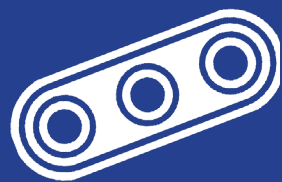
Quality network in place gathering all entities

ISO

All sites certified to ISO 15378



Customer visits made by operational staff and sales teams made presentations in plants



Yearly program of investments in automatic inspection machines



Progress made with customers' needs through analysis tools



Global approach taken to supplier risk assessments, with an audit program based on risk



Quality assurance team's skills needs have been identified and reinforced



Good manufacturing practices training set up in headquarters and refreshed in plants



SGD PHARMA	S4-4 – ACTING ON MATERIAL IMPACTS ON PATIENTS AND END USERS	2024
	<div data-bbox="493 202 919 243"> <p><b>PRODUCTION PROCESS</b></p> </div> <div data-bbox="479 324 1222 639"> <p>Describing our <b>tubular glass production process</b> in our <b>Sustainability Report</b> plays a crucial role in reinforcing transparency and building trust in the quality of SGD Pharma’s products. By outlining each stage of the process — from <b>tube feeding to final inspection and packing</b>—we demonstrate the high level of <b>control, precision, and rigor</b> applied throughout our <b>manufacturing operations</b>.</p> </div> <div data-bbox="1276 324 2019 679"> <p>This <b>transparency</b> reassures our <b>customers and patients</b> that we adhere to the <b>highest industry standards</b> to protect patient health, using certified raw materials and implementing comprehensive <b>in-line</b> and off-line <b>inspection procedures</b>. It also confirms our commitment to <b>delivering reliable, defect-free packaging solutions</b> that meet the <b>stringent requirements</b> of the <b>pharmaceutical industry</b>.</p> </div> <div data-bbox="2072 324 2815 562"> <p>Moreover, by making this information <b>publicly available</b>, we support <b>customer audits</b> and <b>technical evaluations</b> and foster an open dialogue with our partners. This approach strengthens confidence in our processes and reinforces our position as a <b>trusted, quality-focused manufacturer</b>.</p> </div> <div data-bbox="1062 761 2095 802"> <p><b>OUR PRODUCTION PROCESS FOR TABULAR GLASS</b></p> </div> <div data-bbox="922 844 2235 922"> <p>With more than 100 years of know-how inhereted from Saint-Gobain, SDG Pharma is a world renowed technical center of reference in the glass packaging arena.</p> </div> <div data-bbox="1156 960 2202 1249"> </div> <div data-bbox="942 1279 1399 1671"> <p><b>STEP 1 TUBE FEEDING</b> 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.</p> <p><b>STEP 2 FORMING</b> The tubes are heated, shaped and cut to give the dimensional parameter in 3 main steps:</p> <ul style="list-style-type: none"> <li>· Shoulders and neck forming (including 100% on-line dimensional inspection)</li> <li>· Tubes parting: heating and cutting to set vial height</li> <li>· Bottom glazing: heating, glazing and cooling.</li> </ul> </div> <div data-bbox="1459 1279 1879 1622"> <p><b>STEP 3 AFTER FORMING</b> Vials are cooled down and blown with filtered air.100% on-line inspections of:</p> <ul style="list-style-type: none"> <li>· Total length and bottom concavity by electromechanical gauge</li> <li>· Internal neck diameter by camera.</li> </ul> <p><b>STEP 4 ANNEALING</b> Vials are individually picked and placed on the conveyor belt of the annealing lehr with no glass contact.</p> <p>Perfect annealing to release residual stresses through a monitored thermal cycle.</p> </div> <div data-bbox="1935 1301 2332 1476"> <p><b>STEP 5 FINAL INSPECTION AND PACKING</b> Final inspections under clean room conditions. Optional cosmetic inspection by off-line camera. Vials are packed in shrinked-wrapped PP trays or in cleanpacks and then palletized.</p> </div>	
		98



# ESRS G1 BUSINESS CONDUCT

SUSTAINABLE DEVELOPMENT GOALS  
COVERED IN THIS CHAPTER:





## MESSAGE FROM THE TOPIC OWNER

2024 has been another year of **strong progress** in reinforcing SGD Pharma’s **Ethics and Compliance** framework, reflecting our continuous commitment to **transparency, integrity, and regulatory excellence**. Building on the solid foundation established in previous years, we have successfully advanced **key initiatives** that further strengthen our **governance and risk management** practices.

A major **milestone** in 2024 was the completion of our global **corruption risk mapping**, covering 100% of our Group sites, which provides a clear assessment of **risks** and enables us to define a customized **anti-corruption action plan** adapted to the risks identified, to be implemented over the next two years. In line with our commitment to **transparency**, we have expanded the range of **KPIs** disclosed in our reporting, ensuring greater visibility of our **compliance performance**. In addition, we have taken decisive steps to enhance internal **awareness** and **preparedness** of our most **at-risk employees**, adding **training sessions** on **conflicts of interest**, our whistleblowing procedure, and the **protection of alert issuers** to the existing training sessions on anti-corruption, gifts and invitations and fraud, reinforcing **ethical decision-making** across the organization.

Recognizing the importance of robust **competition law compliance**, we have also rolled-out a new **Competition Law Policy**, including internal **guidelines**, equipping our teams with the necessary knowledge to navigate **regulatory expectations effectively**.

Looking ahead to **2025**, we will continue to **strengthen our ethics and compliance** program with several **key initiatives**. These include the development of an **anti-corruption control plan**, the implementation of a new **third-party due diligence tool** along with a revision of our **third-party due diligence procedure**, an update of our anti-corruption policy, and the launch of **certification campaigns on ethical business conduct** for our most exposed employees, including in particular a declaration of potential conflict of interest situations. In addition, we will continue to update and strengthen our **mandatory training program on ethics-related matters** to further instill a culture of compliance within the organization, in particular through **additional training on whistleblowing**, specifically designed to train all our blue collar employees not yet trained in **2024**.

By taking these steps, SGD Pharma remains steadfast in our dedication to upholding the highest **ethical standards**, ensuring that our **compliance framework** evolves in line with **global best practice and stakeholder expectations**.



CAROLINE FUNCK  
Group General Counsel



## BUSINESS CONDUCT AS A CORE PART OF CORPORATE CULTURE

**Business integrity** and **ethical behavior** are core to our **operations** and **culture**. Our commitment to responsible business conduct is embedded across all levels of the organization through **clear policies**, **structured governance**, and high levels of **awareness** and **training** among our people.

We have established a **Compliance Committee responsible** for overseeing the implementation and monitoring of our ethics and compliance framework. This includes **anti-corruption**, **anti-bribery**, **conflict of interest**, **gifts and invitations**, **competition law**, **anti-fraud and whistleblowing policies**, which are regularly communicated to employees and integrated into onboarding and training programs.

To strengthen our culture of **integrity**, we maintain **open channels** for reporting concerns confidentially and without fear of retaliation. In 2023, we reinforced our supplier **due diligence process** by introducing regulatory and compliance-related questions in our supplier assessments, reflecting our commitment to **ethical practices** across the value chain.

A **major milestone** of 2024 was the completion of our global corruption risk mapping, covering 100% of our Group sites, which provides a clear assessment of risks and enables us **to define a customized anti-corruption action plan** adapted to the identified risks, to be implemented over the next two years.

Our business conduct principles are not only part of internal operations but are also **extended to external stakeholders**, ensuring that our expectations are clear across our **global partnerships**. This approach supports a strong, transparent, and responsible corporate culture aligned with our sustainability commitments.





SGD PHARMA	G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE	2024
	<div data-bbox="483 196 856 234" data-label="Section-Header"> <h3>ANTI-FRAUD POLICY</h3> </div> <div data-bbox="483 240 1209 1153" data-label="Text"> <p>In 2023, we introduced a rigorous <b>Anti-Fraud Policy</b>, reflecting <b>our strong commitment to ethical and transparent operations</b>. This policy is designed to <b>provide clear guidance</b> on the behaviors and practices expected <b>to prevent, identify, and eliminate fraudulent activities</b> across the organization. Applicable to <b>all direct employees</b> and those at <b>SGD Pharma Group subsidiaries and affiliated</b> entities, this policy underscores <b>the necessity for vigilance and accountability</b> in protecting the <b>company’s assets and reputation</b>. It includes <b>comprehensive awareness-raising, training and information dissemination efforts</b>. In addition, the policy specifies a straightforward process for reporting <b>any suspicious conduct, enabling prompt and effective measures</b> to combat fraud. With the adoption of this policy, <b>SGD Pharma</b> reinforces its commitment to the <b>highest ethical standards</b> and the <b>safeguarding</b> of its business from <b>fraud-related risks</b>. In 2024, we <b>doubled the number of employees trained</b> in this <b>sensitive area</b> (training 400 employees in 2023 and another 400 in 2024).</p> </div> <div data-bbox="483 1196 856 1234" data-label="Section-Header"> <h3>ANTI-BRIBERY POLICY</h3> </div> <div data-bbox="483 1240 1209 1654" data-label="Text"> <p>We are committed to <b>doing business the right way</b>. That is why we have a <b>strict anti-bribery and anti-corruption policy</b>. This policy means we do <b>not tolerate corruption</b> in any shape or form, and it adds more detail to our <b>Code of Ethics and Business Conduct</b> by clearly stating what is and is not allowed. <b>Our responsibility extends beyond our employees</b>. We also <b>make sure</b> that our commercial partners <b>understand and share</b> our stand against both active and passive <b>corruption</b>.</p> </div> <div data-bbox="1292 208 2032 1080" data-label="Text"> <p>We are proud to report that, to date, we <b>haven’t faced any ethical disputes</b> or litigation in <b>over six years</b>. In 2024, we also <b>doubled the number of employees trained on this topic</b> (training 400 employees in 2023 and another 400 in 2024). In addition, we completed our <b>global corruption risk mapping</b>, covering <b>100% of our Group sites</b>, to provide a clear assessment of risks and enabling us to define a customized anti-corruption <b>action plan adapted to the identified risks</b>, to be implemented over 2025 and 2026. In 2025, we will update our <b>Anti-Bribery and Corruption Policy</b> in particular to take into account the results of our <b>risk mapping</b>. We will also implement the other priority measures of our <b>anti-corruption action plan</b>, including strengthening anti-corruption accounting <b>controls</b>, our <b>third-party integrity verification system</b> and <b>mandatory reporting</b> at fixed intervals of potential conflicts of interest. We will also continue to <b>raise awareness</b> among our employees on the subject of business gifts and invitations and the essential importance of complying with our procedures.</p> </div> <div data-bbox="1292 1123 1782 1161" data-label="Section-Header"> <h3>COMPETITION LAW POLICY</h3> </div> <div data-bbox="1292 1166 2032 1664" data-label="Text"> <p>Recognizing the <b>importance of robust competition law compliance</b>, in 2024 we implemented a new <b>Competition Law Policy</b>, which includes guidelines to <b>prevent, identify, and eliminate anti-competitive behaviors or practices</b> across the organization, <b>equipping our teams with the necessary knowledge</b> to navigate regulatory expectations effectively. In 2025, this policy will be supplemented by two detailed procedures, one on dawn-raids and the other on the rules for adhering and participating in Trade Associations, which will be implemented for all our most exposed employees concerned by these issues,</p> </div> <div data-bbox="2112 178 2852 549" data-label="Text"> <p>with the aim of raising our employees' awareness of competition law in the context of their professional activities and mitigating the very significant risks associated with it. Our employees must refer to this <b>policy</b>, which is in force <b>globally</b> across the SGD Pharma Group, to <b>prevent, detect, and manage risk situations</b> and thus carry out their <b>professional activities</b> in compliance with the competition rules applicable to the Group.</p> </div> <div data-bbox="2112 592 2852 671" data-label="Section-Header"> <h3>OUR CODE OF ETHICS AND BUSINESS CONDUCT</h3> </div> <div data-bbox="2112 677 2852 1673" data-label="Text"> <p>We updated our <b>Code of Ethics and Business Conduct</b> in 2023 and 2024 to ensure that all our actions at SGD Pharma align with the <b>latest laws and regulations</b> and <b>embody</b> our dedication to running a business with <b>integrity and responsibility</b>. We made this code accessible in <b>four languages</b> – French, English, German and Chinese – making it easier for our employees across the globe to <b>understand and apply our values in their daily work</b>. This code touches on everything important to us: <b>treating our employees</b> with respect and dignity; <b>keeping personal, sensitive and confidential information safe</b>; looking after health and safety and <b>preserving the environment</b>; steering clear of conflicts of interest; saying <b>no to corruption and fraud</b>; competing fairly; ensuring our partners share our <b>ethical standards</b>; and making sure our employees <b>can speak up freely</b> and without fear of any retaliation if SGD Pharma’s activity, wherever it is carried out, <b>is not conducted in accordance</b> with the applicable regulations and the <b>Group’s values</b>. It is a comprehensive guide that <b>every person working</b> for or with SGD Pharma must <b>follow, helping us</b> maintain a culture of doing the <b>right thing all the time</b>, where ethical behavior is just how <b>we do things</b>.</p> </div>	
		102



SGD PHARMA	G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE			2024
	<p><b>GIFT AND ENTERTAINMENT PROCEDURE</b></p> <p>During 2023, we <b>refined our procedures</b> surrounding <b>gifts</b> and <b>entertainment</b> within our Asia-Pacific business unit and <b>trained our employees accordingly</b>. In 2024, we implemented a similar procedure for our <b>India business unit</b> and <b>updated</b> the applicable procedures for our Asia-Pacific and West business units, ensuring <b>a consistent and unified approach</b>. To ensure <b>transparency</b> and <b>ethical conduct</b> in our business, the <b>principles of declaration</b> and <b>prior authorization</b> are the same regardless of the business unit concerned, but differing thresholds, tailored to the countries concerned, have been implemented. <b>Recognizing</b> the delicate balance between fostering <b>good business relationships</b> and <b>maintaining the highest ethical standards</b>, we have implemented a detailed procedure in each business unit that <b>clearly delineates</b> the <b>acceptable practices</b> for <b>offering</b> and <b>receiving</b> gifts and invitations, setting forth clear thresholds for <b>value that align</b> with <b>local customs</b> and <b>regulations</b> and the <b>company’s stringent compliance requirements</b>, including our <b>anti-bribery policy</b>. Notably, the procedure outlines those gifts and invitations, whether given or received, <b>should not exceed specific monetary thresholds without proper authorization</b> – setting a cap to ensure these exchanges remain within the bounds of courtesy and do not veer into potentially unethical territory. Moreover, it emphasizes the necessity of <b>recording and registering</b> these exchanges to ensure <b>transparency and accountability</b>, thereby reinforcing our dedication to integrity.</p>	<p>All employees within our business units are <b>expected to adhere to these guidelines</b>, with the procedure being applicable to anyone acting on behalf of the company, <b>ensuring a consistent</b> and unified approach to <b>ethical conduct</b> across the board. By 2025, <b>our 800 employees considered most at risk will have completed dedicated training on this subject</b>.</p> <p><b>WHISTLEBLOWING PROCEDURE</b></p> <p>In 2022, SGD Pharma took a <b>significant step</b> towards enhancing our ethical practices by <b>updating our professional whistleblowing tool</b> to a newer, more efficient and fully <b>secure global system</b>, with a <b>new service provider</b>. This upgrade ensures the utmost <b>confidentiality</b> and <b>anonymity</b> for whistleblowers, aligning with the <b>General Data Protection Regulation</b> (GDPR) to foster an environment where employees <b>feel comfortable reporting issues</b> such as <b>corruption, financial discrepancies, environmental infractions and health</b> and safety violations, regardless of their location. Following this improvement, we further <b>refined our approach</b> in 2023 by updating the whistleblowing <b>procedure itself</b>. This adjustment ensures that our processes remain in <b>full compliance</b> with the latest regulations, <b>reinforcing our commitment to transparency, accountability and a safe reporting environment</b>. from 2024, we provided training for all white collars employees on how and when the whistleblowing <b>procedure should be used</b> and the protections guaranteed to whistleblowers. By the end of 2025, <b>all our employees across all our sites</b>, including our blue collars population, will be trained on this <b>essential topic</b> to enable us to detect any potential non-compliance</p>	<p>and <b>strengthen our ethical compliance program</b>. In 2025, we will also <b>raise awareness among our employees by sending communications</b> about our whistleblowing system and via a poster campaign at all our operational sites.The whistleblowing policy reinforced our <b>commitment to protect anyone</b> one who uses the system against retaliation.</p> <p><b>EMPLOYEE TRAINING AND CONSIDERATION OF AT-RISK EMPLOYEES</b></p> <p>In 2024, we took decisive steps to enhance internal <b>awareness</b> and <b>preparedness</b> of our most at-risk employees, adding <b>e-learning training courses</b> on <b>conflicts of interest</b> and whistleblowing procedures and protections of whistleblowers to the existing training courses on <b>anti-bribery</b> and <b>anti-corruption</b>, managing business gifts and entertainment and fraud awareness and detection, reinforcing ethical decision-making <b>across the organization</b>.</p> <p>Furthermore, in addition to our e-learning training program for our most –<b>at-risk white collar employees</b>, we are developing <b>additional training</b> on whistleblowing <b>for our blue collar employees</b>, across <b>all our operational sites</b>. We will have thus trained <b>100%</b> of our employees on this <b>crucial subject by the end of 2025</b>.</p>	
				103



SGD PHARMA	G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE			2024
	<p>Our mandatory ethical compliance e-learning training program must be completed by all our most at-risk employees. In 2024, we extended the eligibility criteria for mandatory participation in this program, doubling the number of employees required to be trained, This now covers 822 employees across our global team of approximately 3,200 employees (compared to approximately 417 eligible employees in 2023).</p> <p>This training program must also be completed by all new employees joining our Group as soon as they meet the eligibility criteria.</p> <p>Moreover, the training is equally provided to members of the administrative and management teams; 100% of our Executive team has been trained on business conduct matters.</p> <p>To date, 91.5% of our most at-risk employees, totaling 752 employees out of 822, have completed the three e-learning training courses on anti-corruption, business gifts and entertainment, and anti-fraud launched in 2023 and 51.5% of our most at-risk employees, totaling 423 employees out of 822, have completed the two additional e-learning training courses on conflicts of interest and whistleblowing launched in 2024, with an impressive average success rate of 90% for each course. Our goal is to achieve a completion rate of at least 95% for these five e-learning training courses by the end of 2025. This underscores SGD Pharma’s dedication to maintaining the highest ethical standards in all aspects of our operations, ensuring a well-informed workforce capable of navigating complex ethical landscapes.</p>	<p><b>POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST</b></p> <p>In 2023, we formally adopted a policy to prevent and manage conflicts of interest across the group, aiming to uphold the integrity and fairness of our operations. This policy addresses the need to recognize and handle situations where an employee’s personal interests might clash with the interests of SGD Pharma and its stakeholders. Examples include giving preferential treatment to certain clients due to personal incentives or decisions influenced by relationships that could negatively impact SGD Pharma’s reputation. This policy underscores our commitment to transparency, objectivity and ethical behavior, firmly positioning SGD Pharma as a company dedicated to maintaining the highest standards of professional integrity. To ensure complete adherence to this policy, SGD Pharma implemented in 2024 a structured approach for monitoring and assessing conflicts of interest, complemented by comprehensive training for all relevant personnel. In 2024 and 2025, our 800 white-collar employees will be trained via e-learning on how to detect and manage the most common conflicts of interest.</p> <p>Once they have completed this training, they will receive an annual certificate of ethical professional conduct to be completed to certify their knowledge of and compliance with all our ethical policies and procedures and to declare any potential conflicts of interest, so as to ensure a fair and ethical working environment.</p>	<p><b>THIRD-PARTY VERIFICATION PROCEDURE</b></p> <p>In accordance with our legal obligations regarding anti-corruption (including the Sapin II law), compliance with applicable sanctions and our commitments to our partners, we are strengthening our third-party integrity due diligence processes to assess their extra-financial risk. The objective of this process is to assess the risk of corruption and sanction with some third-parties to reduce the reputational risk of SGD Pharma incurred by such relationships, for instance by taking risk mitigation measures or by not contracting or by terminating the relationship with the flagged third-party. A risk mapping exercise helped to define the criteria to determine which third-parties are assessed. The assessment is done by screening those third-parties with respect to public information covering their structure and their organization and relating to their reputation . To this end, in 2024, we selected and configured a new tool for verifying and consistently monitoring our third parties and, in 2025, we have appointed and will train a new internal due diligence team with enhanced expertise in this tool and our new procedure.</p>	
				104




SGD PHARMA	G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE	2024
	<div data-bbox="489 180 1196 302"> <p><b>PROCEDURES TO PREVENT, DETECT, AND ADDRESS ALLEGATIONS OR INCIDENTS OF CORRUPTION AND BRIBERY</b></p> </div> <div data-bbox="489 309 1196 1500"> <p>Integrity is a <b>core principle</b> at SGD Pharma. In 2023 and 2024, we strengthened our <b>ethics framework</b> by <b>updating our Code of Ethics and Business Conduct</b> and launching <b>targeted training programs</b>. A <b>major milestone in 2024</b> was the completion of our global corruption risk mapping, which <b>provides a clear assessment of risks</b>. This <b>risk mapping exercise</b> covered <b>all functions interacting</b> with third parties, both centrally and locally, within all of our subsidiaries and Group sites. This enabled us to <b>make a complete inventory</b> of all our business processes that interact with third parties and are therefore considered to be at risk, and to <b>analyse existing risk mitigation measures</b> in terms of policies and procedures, training and controls in place. The <b>33 interviews conducted</b> (with 120 employees, including managers and employees across all functions at risk and all entities within the Group) to assess risk levels and the effectiveness of existing <b>risk control measures</b> enabled us to <b>raise awareness</b> among <b>all employees interviewed</b>, by <b>discussing</b> with them the <b>various risk scenarios</b> that could <b>arise</b> in their respective functions. This comprehensive exercise enabled us to <b>identify our priority areas</b> of actions to be taken at <b>group level</b> and by function and to establish an <b>action plan tailored</b> to the actual risks. This action plan is <b>currently being implemented</b>.</p> <p>As mentioned above, as part of this action plan, we are <b>strengthening our mitigation measures</b> to prevent and detect <b>corruption and bribery risks</b> by:</p> </div> <div data-bbox="1302 189 2022 703"> <p>reviewing our policies and procedures (including updating our <b>Anti-Bribery and Corruption policy</b>, our procedures for business gifts and invitations, our <b>third-party integrity verification procedure</b> and <b>our processes for reporting</b> potential conflicts of interest) <b>reinforcing</b> our training program on <b>corruption-related topics</b> (training on detecting and preventing corruption, on business gifts and invitations, and on detection and management of conflicts of interest) and <b>expanding the scope</b> of <b>trainees</b> and <b>strengthening controls</b>, such as accounting controls and <b>integrity due diligence</b>, on our third parties.</p> </div> <div data-bbox="1302 746 2022 1063"> <p>To strengthen our ability to detect <b>any potential corrupt</b> practices or <b>non-compliance</b> with our <b>ethical policies</b>, we are <b>focusing</b> our efforts <b>on raising awareness</b> among all our employees on our <b>whistleblowing system</b> and the whistleblowers’ protection, <b>training</b> all of our employees by the <b>end of 2025</b>, and by <b>running communications</b> and <b>poster campaigns</b>.</p> </div> <div data-bbox="1302 1104 2022 1219"> <p>Our whistleblowing mechanism ensures that <b>all reports</b> are handled with <b>confidentiality, security, and non-retaliation</b>.</p> </div> <div data-bbox="1302 1262 2022 1341"> <p>We also monitor and report <b>on several anti-corruption KPIs</b>, including:</p> </div> <div data-bbox="1302 1382 2022 1699"> <ul style="list-style-type: none"> <li>• <b>At-risk employees</b> across all locations who received training on <b>business ethics issues</b></li> <li>• <b>Number of receivable alerts</b> through the whistleblowing platform/hotline and procedures</li> <li>• <b>At-risk employees</b> across all locations who received training on <b>information security issues</b></li> </ul> </div> <div data-bbox="2122 211 2842 568"> <ul style="list-style-type: none"> <li>• <b>Number of confirmed corruption/bribery incidents</b></li> <li>• <b>Percentage of operational sites</b> with an internal verification/assessment of business ethics issues</li> <li>• <b>Percentage of critical qualified suppliers</b> assessed through Dow Jones (third-party integrity verification)</li> </ul> </div> <div data-bbox="2122 611 2842 1566"> <p><b>ROLE OF THE COMPLIANCE COMMITTEE</b>  Since 2016, SGD Pharma’s <b>Compliance Committee</b> has brought together the expertise of the <b>Chief HR Officer</b>, the CFO, the <b>General Manager</b> of the Business Unit West and the <b>Group General Counsel</b>. This team meets at least once per semester and on an <b>ad hoc basis</b> whenever necessary to review compliance with the <b>Code of Ethics and Business Conduct</b>, consider related <b>legal requirements</b>, and deal with alerts including, among other things, those relating to <b>corruption, international sanctions and HR matters</b>. A key focus of the Compliance Committee is managing the <b>whistleblowing system</b>, ensuring employees can report issues <b>anonymously</b>, fostering a culture of <b>openness</b> and <b>accountability</b>. In 2024, we continued our <b>Ethics and Compliance roadmap</b> for 2023-25. This plan details our strategy to strengthen SGD Pharma’s <b>ethical standards</b> and <b>compliance monitoring processes</b> over the next few years. It aims to ensure that the company not only <b>complies</b> with current regulations but is also well-prepared to meet <b>future challenges</b> and deliver on its <b>growth strategy</b>.</p> </div>	105



Material topics	Pillar	Sustainable Development Goal	Commitment	Key performance indicator	2019	2020	2021	2022	2023	2024
Health and safety			Zero accident, zero occupational illness	FR1 (Lost time injury rate for)	2.63	3.41	3.28	2.78	2.61	2.74
				LTA + NLTA (Lost time accident + no lost time accidents)	28	32	30	32	26	25
Career management and training			Attract, develop and retain talent	Attrition rate	7.4%	10.4%	7.6%	7.6%	7.6%	7.9%
				Average hours of training per year per employee	28.25	18	25.9	25.9	25.9	27
Social dialogue and diversity			Equal employment and promotion opportunities	% of the total managers & professionals across all locations who received regular performance and career development reviews	100%	100%	100%	100%	100%	100%
				% of permanent employees covered by an incentive scheme based on individual or collective performance	NA	NA	NA	95%	93%	97%
				% of the total workforce covered by a formal collective agreement	40%	39%	38%	39%	41%	75%
				% of women in top management positions	32%	28%	32%	22%	22%	22%
				% of women in senior management	38%	30%	33%	32%	28%	47%
				% of women employed in relation to the whole organization	39%	37%	38%	35%	35%	34%





Material topics	Pillar	Sustainable Development Goal	Commitment	Key performance indicator	2019	2020	2021	2022	2023	2024
Quality of service and competitive ness			Zero non-compliance	OTIF 1 (On-time-in-full-delivery)	99.3%	99.3%	97.3%	97%	98.4%	98.4%
				Customer claims, total number	-14%	-3%	-21%	4%	-10%	1%
Global business ethics policy	Our business values		Full compliance with national and international laws and regulation	At-risk employees across all locations who received training (e.g.,e-learning) on business ethics issues	96%	98%	98%	15.6%	93%	91%
				Number of receivable alerts received through the whistleblowing platform/hotlines	0	0	0	0	4	2
				At-risk employees across all locations who received training on information security issues	NA	NA	NA	NA	98%	90%
				Number of confirmed corruption/bribery incidents	0	0	0	0	0	0




Material topics	Pillar	Sustainable Development Goal	Commitment	Key performance indicator	2019	2020	2021	2022	2023	2024
Sustainable procurement			Strengthen supply chains and ensure business continuity	% of critical qualified suppliers assessed through Dow Jones (third-party verification)	100%	100%	100%	100%	100%	100%
				% of critical suppliers for which conflict minerals information is available	100%	100%	100%	39%	53%	85%
				% of critical suppliers that have been assessed through the CSR questionnaire	80%	65%	80%	91%	93%	85%
				% of critical suppliers that have CSR clauses in their contracts	NA	NA	80%	100%	100%	100%
				% of critical suppliers that have signed our Business Code of Conduct and Ethics	NA	NA	85%	90%	97%	95%
				% of buyers trained on CSR topics	-	-	-	100%	100%	100%



Material topics	Pillar	Sustainable Development Goal	Commitment	Key performance indicator	2019	2020	2021	2022	2023	2024	
Energy consumption and greenhouse gases	Our environmental commitments		Improve energy efficiency and tackle climate change	Annual GHG emissions (Scope 1 & 2),tons CO <sup>2</sup> eq, Located based	202 637	207 518	195 938	208 344	203 584	182 617	
				Annual GHG emissions (Scope 1 & 2), market-based, tons CO <sup>2</sup> eq	200 375	209 738	198 771	218 734	199 732	181 487	
				Overall energy consumption, MWh	759 457	771 391	700 011	735 572	724 127	662 999	
				GHG emissions (Scope 1 & 2) per melted tons of glass, tons CO <sup>2</sup> eq	0.702	0.720	0.741	0.753	0.693	0.663	
				GHG emissions (Scope 1 & 2) per k€ generated, tons CO <sup>2</sup> eq	0.591	0.605	0.611	0.533	0.452	0.402	
				Emission factor scope 1 & 2 (tCO <sub>2</sub> eq/Good tons of glass), average, Market Based	0.932	0.959	0.987	0.991	0.941	0.925	
				Emission factor (tCO <sup>2</sup> eq/Good tons) –average for Type I (location-based)	1.211	1,262	1.324	1.440	1.506	1.285	
				Emission factor (tCO <sup>2</sup> eq/Good tons) –average for Type II & III (location-based)	0.878	0.899	0.910	0.905	0.846	0.849	
				Number of active projects to reduce impacts from end-of-life products	0	1	1	2	4	2	



Material topics	Pillar	Sustainable Development Goal	Commitment	Key performance indicator	2019	2020	2021	2022	2023	2024
Reuse, waste and water	Our environmental commitments		Optimise water use, reduce waste generation and, abolish waste to landfill	Water withdrawals relative to production (melted tonnes)	2.57	2.25	2.71	1.90	1.79	1.87
				Water consumption relative to production (good tonnes)	3.41	2.99	3.61	2.5	2.43	2.62
				Waste recycling rate (recycled waste/total amount of waste generated)	41%	34%	76%	79%	70%	70%
Local and accidental pollution			Make a positive impact on the local environment	Total volumes of NOx, tonnes	-	245.9	357	271.5	277.4	332.4
				Total volumes of SOx, tonnes	-	225	233.7	275.7	316.4	140.7



# GLOBAL REPORTING INITIATIVE

## GLOBAL REPORTING INITIATIVE

### GRI 1: FOUNDATION

#### STATEMENT OF USE

SGD Pharma has reported in accordance with the GRI Standards for the period 1 January 2024 - 31 December 2024.

#### GRI USED

GR1: Foundation 2021



STANDARD DISCLOSURE No.	GRI INDICATOR	SECTION TITLE	PAGE
GRI 2 GENERAL DISCLOSURE			
2-1	Organizational details	All the sections presented is this report	
2-2	Entities included in the organization's sustainability reporting	ESRS 2 BP1 General basis for preparation of sustainability statements section	07
2-3	Reporting period, frequency and contact point	ESRS 2 BP1 General basis for preparation of sustainability statements section	08
2-4	Restatements of information	ESRS 2 BP1 General basis for preparation of sustainability statements section	08
2-5	External assurance	-	
2-6	Activities, value chain and other business relationships	SBM 1 Strategy, business model and value chain section	18, 20, 21, 22, 23
2-7	Employees	SBM 1 Strategy, business model and value chain section ESRS S1 6 Characteristics of the undertaking's employees'section	18 - 65
2-9	Governance structure and composition	ESRS 2 GOV 1 The role of the administrative, management and supervisory bodies section	09, 10, 11
		ESRS GOV 2 Information provided to and sustainability matters addressed by the undertaking's administrative management and supervisory bodies section	13 - 14
2-12	Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV 5 Risk management and internal controls over sustainability reporting section	09, 10, 11



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 2 GENERAL DISCLOSURE			
2-17	Collective knowledge of the highest governance body	ESRS 2 GOV 1 The role of the administrative, management and supervisory bodies section	09 - 12
2-22	Statement on sustainable development strategy	ESRS 2 GOV 1 The role of the administrative, management and supervisory bodies section	04, 05
2-22	Policy commitments		
2-25	Processes to remediate negative impacts	ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities section	27 - 35
2-26	Mechanisms for seeking advice and raising concerns	S1-2 – Processes for engaging with own workforce and workers S2-2 – Processes for engaging with value chain workers about impacts section	71 - 74
2-27	Compliance with laws and regulations	ESRS G1 - Whistleblowing procedure section	102, 103
2-29	Approach to stakeholder engagement	ESRS 2 SBM-2 – Interests and views of stakeholder’s section	26
2-30	Collective bargaining agreements		66
GRI 3 MATERIAL TOPICS			
3-1	Process to determine material topics	ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	27 - 35



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 201 ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	ESRS 2 SBM 1 Strategy, business model and value chain section	17, 18
201-2	Financial implications and other risks and opportunities due to climate change	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes section	15
205 Anti-corruption			
205-1	Operations assessed for risks related to corruption	G1-3 Prevention and detection of corruption and bribery section	105, 106
205-2	Communication and training on anti-corruption policies and procedures	G1-1 Business conduct policies and corporate culture section	102, 103
205-3	Confirmed incidents of corruption and actions taken	G1-3 – Prevention and detection of corruption and bribery section	105 - 108
206 Anti-competitive behavior			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	G1-1– Business conduct policies and corporate culture section	102, 103
302 Energy			
302-1	Energy consumption within the organization	E1-5 – Energy consumption and mix section	44
302-2	Energy intensity	E1-5 – Energy consumption and mix section	44
302-4	Reduction of energy consumption	E1-5 – Energy consumption and mix section	44
303 Water and effluents			
303-1	Interactions with water as a shared resource	E3-4 – Water related data	53



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 201 ECONOMIC PERFORMANCE			
303-2	Water withdrawal	E3-4 – Water related data	53 - 108
303-4	Water discharge	E3-4 – Water related data	53 - 108
303-5	Water consumption	E3-4 – Water related data	53 - 108
305 Emissions			
305-1	Direct (Scope 1) GHG emissions	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions section	46
305-2	Indirect (Scope 2) GHG emissions	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions section	46
305-3	Other indirect (Scope 3) GHG emissions	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions section	46
305-4	GHG emissions intensity	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions section	46
305-5	Reduction of GHG emissions	E1-4 – Targets related to climate change mitigation and adaptation section	43
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	E2-3 – Targets related to pollution section	50



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 201 ECONOMIC PERFORMANCE			
306 Waste 2020			
304-1	Management of significant waste-related impacts	E2-2 – Actions and resources related to pollution section	49
308: Supplier environmental assessment			
308-1	New suppliers screened using environmental criteria	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns section	88
401: Employment			
401-1	New employees and employee turnover	Table of KPIS	107
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
403 Occupational health and safety			
403-2	Hazard identification, risk assessment and incident investigation	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities section	27 - 35
403-3	Occupational health services	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions section	78



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 201 ECONOMIC PERFORMANCE			
403-4	Worker participation, consultation, and communication on H&S	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions section	75
403-5	Worker training on H&S	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce,	78
403-6	Promotion of worker health	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions section	78
403-7	Prevention and mitigation of H&S impacts directly linked by business relationships	S1-1 – Policies related to own workforce section	70
404: Training and education			
404-1	Average hours of training per year per employee	S1-13 – Training and skills development metrics section	107
404: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies section	11, 12
406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise section	74
413: Local communities			
413-1	Operations with local community engagement, impact assessments and development programmes	ESRS S3 Local communities’ section	89 - 93



STANDARD DISCLOSURE	GRI INDICATOR	SECTION TITLE	PAGE
GRI 201 ECONOMIC PERFORMANCE			
414: Supplier social assessment			
414-1	New suppliers that were screened using social criteria	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns section	88
416: Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	108





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