



SUSTAINABILITY

REPORT

2020

Editorial



As soon as Covid-19 was identified in China and as it spread throughout the world, we prioritized the protection of all our collaborators. All measures were deployed in compliance with local regulations to safeguard their health while continuing business. As a pharmaceutical glass packaging leader, we made sure the production never stopped.

It is our duty to continue all activities while taking safety measures for all, and deliveries of bottles essential for our customers in the fight against Covid-19 have been ensured.

While we faced this unprecedented crisis throughout 2020, we continued to consolidate our approach to CSR. We introduced for the first time a Supplier Code of Conduct, and we continued investing in new projects to improve our energy consumption and mitigate our Greenhouse gas emissions. As proof of our involvement, one of the furnaces at the Sucy-en-Brie plant in France is being rebuilt which will reduce the energy consumption by 10%.

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

CHRISTOPHE NICOLI
CHIEF EXECUTIVE OFFICER

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EDITORIAL

CSR strategy is under the supervision of Chief Executive Officer

And is shared and deployed by



CSR DIRECTOR

Reports CSR performances directly to the COO

< COORDINATION >

CSR NETWORK

Networks of CSR correspondents on each manufacturing site

DIRECTORS AND MANAGERS

Integration of CSR principles into the different departments of the company

Our Business Model at a glance

Our Mission

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

Our Resources

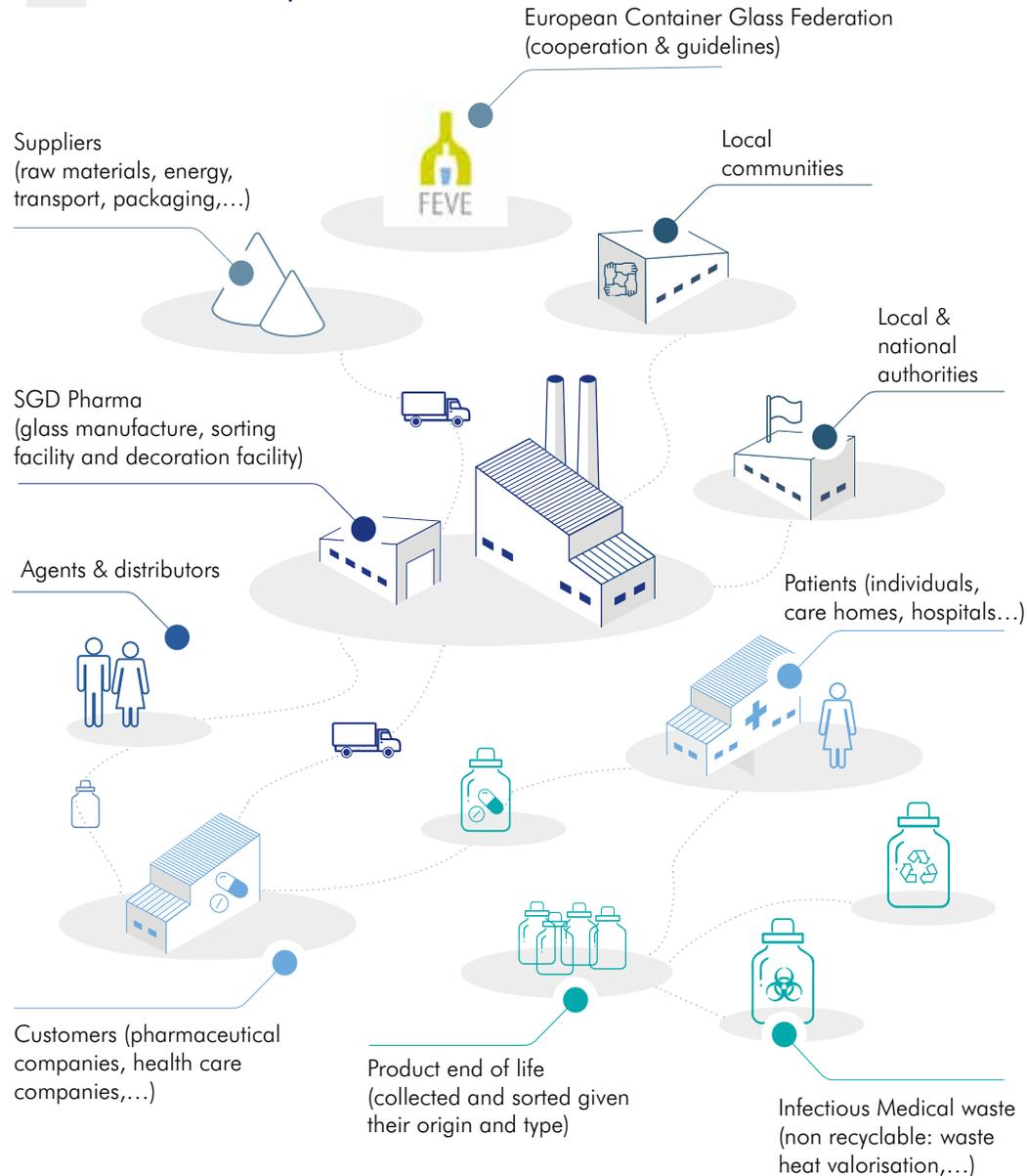
Our employees make our success

- Over **3000** employees (including 2180 permanent and 1006 temporary)

A global player with a local presence

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

Our Activity



Value Created

Healthy financial results

- 2020 consolidated sales: **347,5M€**.
A **2,5%** growth compared to 2019

Our pharmaceutical products

- More than **2 billion vials** are manufactured and sold per year
- Our product applications cover all types of medical pathology

Shared growth

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

CSR at SGD Pharma

Comments on 2020 EcoVadis and CDP Climate ratings



EcoVadis

SGD Pharma takes the lead in sustainability and **was awarded Platinum EcoVadis rating for the first time.** EcoVadis is the internationally recognized sustainability ratings provider, evaluating over **75,000** companies globally across a range of different industries. SGD Pharma Chinese plant and its subsidiary Embelia have been awarded a Silver medal.

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

The assessment is focused on 4 topics for which we had the following scores at Group level:

- Environment: 70/100
- Labour & Human Rights: 80/100
- Ethics: 70/100
- Sustainable Procurement: 70/100



CDP Climate Change

In further recognition of SGD Pharma dedication to environmental sustainability, the company also achieved a B rating from CDP, which is based on its approach to climate change. This score is higher than both the Europe regional average and the manufacturing sector's average (of grade C), placing SGD Pharma in the 'Management' band of companies taking coordinated action on climate issues.

Interview



"We are extremely pleased to have achieved the Platinum award for CSR at SGD Pharma, supported through the implementation of our global CSR strategy. A positive EcoVadis rating is what customers expect and to achieve the platinum award is recognition of the investment made across the business, something we are rightly proud of and means we can service more clients in the pharmaceutical and biopharmaceutical industry with our high standard services. As we look towards the future, we are committed to empowering our employees, promoting the best health and safety practices, protecting the environment, and maintaining exemplary ethical standards, for both our customers and our valued employees."

LAURENT MILLET

GROUP QUALITY & CSR DIRECTOR



CSR at SGD Pharma

About our CSR approach

SGD Pharma has always supported and been involved in sustainable actions. The Group is considered a responsible organization that has been consistently compliant with all environmental, social and ethical requirements applicable to its operations.

In 2018, SGD Pharma launched its first materiality analysis to identify the main challenges and risks associated with its activities. Based on these challenges, we created our CSR approach on 3 pillars: "Our people", "Our business values", "Our environmental aspects".

This year again, this report is based on these pillars.

Since 2020, we have set a clear roadmap of actions to implement.

In 2021, we will continue to put CSR at the core of our operations.



OUR PEOPLE

Health & Safety
Career Management & Training
Social Dialogue & Diversity



OUR BUSINESS VALUES

Quality of Service & Competitiveness
Business Ethics
Sustainable Procurement



OUR ENVIRONMENTAL ASPECTS

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

* GHG: Greenhouse gas

Main actions implemented in 2020

| Actions | Implementation |
|--|----------------|
| Sign Global Compact | Q1 |
| Reporting on 2019 KPIs | Q1 |
| Consolidate CSR KPIs & local initiatives | Q1 |
| Release of the CSR report | Q3 |
| Calculation of our carbon footprint (Scope 1 & 2) | Q2 |
| Alignment of our CSR Report on International reporting standard (GRI) | Q2 |
| Set targets on 2020 KPIs and initiate quarterly tracking | Q1 |
| Harmonization of all KPIs throughout all sites | Q3 |
| CDP assessment | Q3 |
| EcoVadis assessment | Q4 |
| CSR assessment of our suppliers (CSR questionnaires & Supplier Code of Conduct) | Q4 |
| Use and adaptation of marketing tools for CSR topics (communication) | Q1-Q3 |
| Continuous improvement on internal process | All year long |
| Mapping of carbon emissions risks | Q3 |

Risks & Performance

We evaluate our CSR stakes each year in order to carry out actions to mitigate them.

| Pillars of our CSR strategy | Material topics | Risks associated |
|---|---|--|
|  <p>OUR PEOPLE</p> | Health & Safety | Employees can be exposed to accident events due to our industrial processes. Our top priority is to ensure their health and safety. (response action p.9) |
| | Career Management & Trainings | Identifying, attracting, developing and retaining talents is crucial for our success and prosperity. (response action p.12) |
| | Social Dialogue & Diversity | We must ensure we provide a workplace free of harassment and discrimination. These risks could cause damage to our reputation. (response action p.16) |
|  <p>OUR BUSINESS VALUES</p> | Quality of Service & Competitiveness | A critical production defect could lead to substantial and lasting damage to SGD Pharma reputation. (response action p.19) |
| | Business Ethics | Third-parties and collaborators must conduct business in accordance with SGD Pharma Code of Business Ethics to prevent risks of corruption and bribery. Cyber-risks could also have a huge impact on our reputation. (response action p.22) |
| | Sustainable Procurement | The way our suppliers conduct business could lead to a high reputational risk for the supply and SGD Pharma. (response action p.24) |
|  <p>OUR ENVIRONMENTAL ASPECTS</p> | Energy Consumption & Greenhouse Gas | We must ensure to work with the best technologies available in order to mitigate our energy consumption and minimizing our CO ₂ emissions. (response action p.27) |
| | Water & Waste management | Because we are in a context of resource scarcity, the way we use natural resources can threaten the efficiency of our industrial process. (response action p.31) |
| | Local & Accidental Pollution Prevention | SGD Pharma operations are associated with various industrial risks that may impact the environment located near its plants such as human or technical failure in the operation of its facilities, fires, explosions, discharges of effluents or spills of hazardous chemicals. (response action p.32) |

CSR Performance



-12%
water consumption reduction



37%
% of women in the whole organization



18
average training hours per capita



45%
of waste recycled



3,43
FR1 index for the Group

1



**HEALTH
& SAFETY**

**CAREER MANAGEMENT
& TRAINING**

OUR
PEOPLE

**SOCIAL DIALOGUE
& DIVERSITY**

As a company, we see our people as our best asset, and because we are a technical industry working for pharmaceutical, we need skilled employees.

SGD Pharma philosophy comprises a combination of social and economic objectives. We have developed policies that protect our employees and foster their personal development and well-being, while supporting the company's business goals.

Interview



In 2020, the Covid-19 sanitary crisis has been a major change for our organization and our people. Our top priority has been to protect our employees and make sure they would be safe. In our plants, we reorganized the work and deployed strict sanitary measures. In our offices, we moved to 'working from home' whenever possible, constantly adapting to the sanitary environment of each location.

PIERRE-MICHEL BATAILLARD

CHIEF HUMAN RESOURCES OFFICER

SOCIAL

1.1 Health & Safety

Health and Safety are top priorities at SGD Pharma. The industrial processes used at our sites can expose employees to accidental events that could have adverse consequences for their health and/or safety, such as cuts, burns, and exposure to noise or high temperatures.

Our Health & Safety policy

Commitment

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

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

Accountabilities

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

Rules Engagement

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

Risk Management

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

Learning & Progress

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

Our 2020 Health & Safety actions

With the spreading of Covid-19 during 2020, a targeted action plan across all sites has been implemented in order for employees to avoid getting the virus.

Moreover, in 2020 a workshop between all EHS teams to redefine all H&S indicators followed at group level. KPIs were harmonized and definitions were specified for each indicator to simplify the understanding between teams and improve reliability and trackability.

Focus on the Covid-19 crisis

In 2020, more than ever, the health and safety of our collaborators was the top priority. In addition to local crisis management teams, the Group Executive committee reviewed weekly global local situations to decide specific actions to guarantee safety for all.

Throughout the crisis, decisions were updated in line with local regulations including preventive measures such as communication, implementation of social distancing, EPI, widespread home working, and additional specific preventative measures in all sites.

Furthermore, psychological support was offered to employees.



2020 Safety Week

This event is an annual international campaign with the goal to promote a safe and healthy work environment. It is also a way to develop a specific health and safety company culture. The priority of this week is prevention. Participation of all departments throughout the Group was required and work sessions and activities such as workshops, games, quizzes and videos were carried out. This week was a success and all safety measures were respected.

2020 results & 2021 targets

| | 2020 | 2021 |
|----------------------------|------|------|
| FR1* results | 3,41 | 2,2 |
| LTA + NLTA** | 32 | 24 |
| Plants ISO 45001 certified | 3/6 | 5/6 |

Analysis of the results and objectives

Zero Lost Time Accidents (LTA) were recorded at the Vemula plant in India and at the Saint-Quentin-Lamotte plant in France in 2020.

Started in 2018, SGD Pharma EHS **Maturity Matrix** assesses the EHS Maturity of each site based on a list of 52 SGD Pharma requirements, classified on 4 pillars (Leadership, Discipline, Conformity and System).

Maturity Matrix

| | 2018 | 2019 | 2020 |
|--|--------|--------|--------|
| | 52,00% | 66,80% | 76,00% |

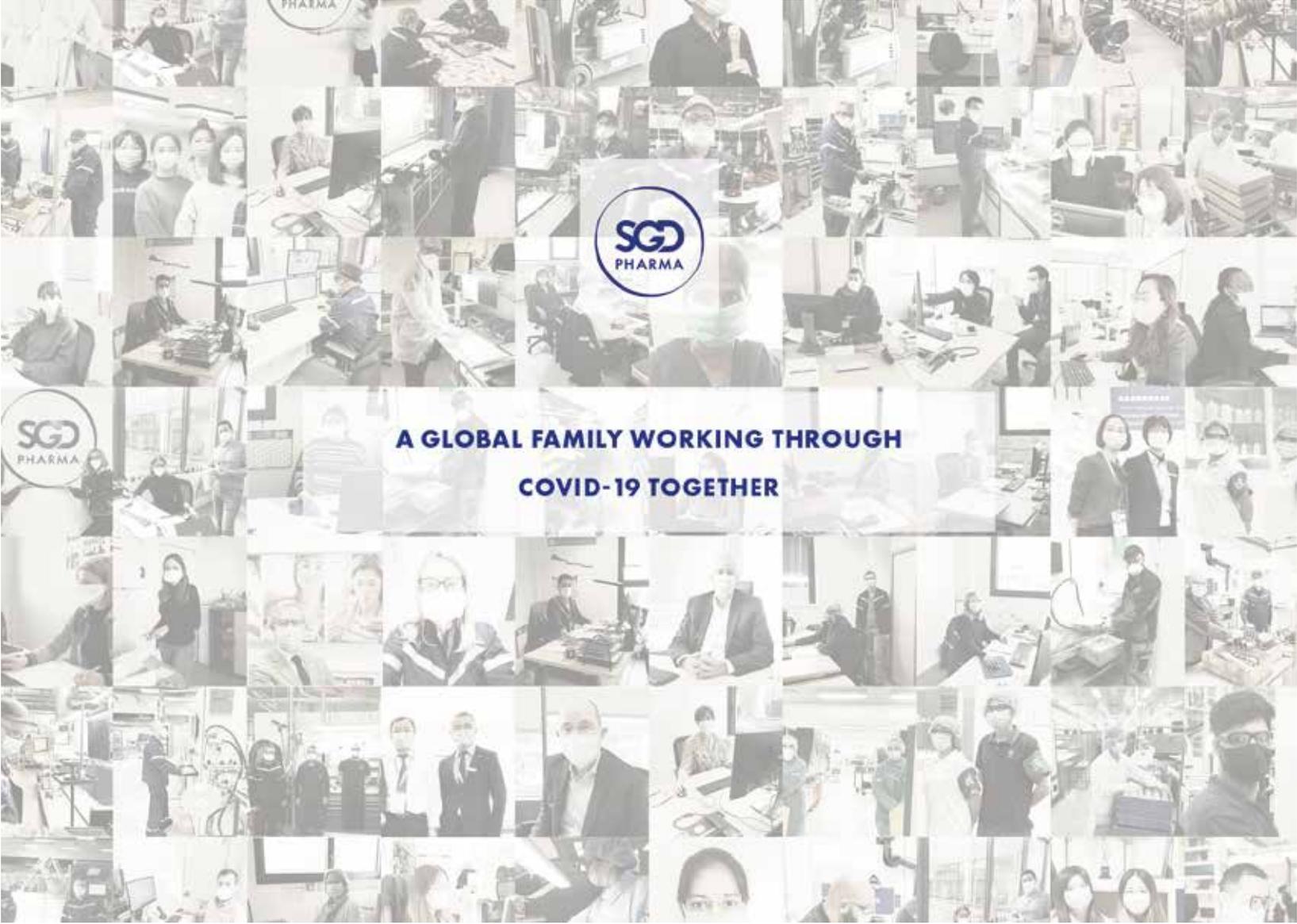
From an average score of 52% in 2018, EHS maturity score has been increasing to 76% in 2020. Thus for 2021, we aim for an overall score of >79% for all our sites.

Finally, 3 plants were ISO 45001 certified in 2020 (Kipfenberg, Zhanjiang and Vemula), and we plan on certifying 2 additional plants (Sucy-en-Brie and Saint-Quentin-Lamotte) by 2021.

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

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

COVID-19



1.2 CAREER MANAGEMENT & TRAINING

Preparing for the future in a collaborative way



Last year, we launched the company-wide initiative called the “SGD Pharma Way” project. This project’s objective is to review our way of working and adapt for the future, with a perspective of growth and higher performance. In 2020, the project was accelerated in order to continue to develop the well-being of employees.

Management during the Covid-19 crisis

The Covid-19 pandemic impacted our way of working and we had to implement adaptive measures. All teams were mobilized to face this crisis with no production stop at group-level during lockdown. We also put in place a company-wide home-office policy for employees and collaborators who were able to work remotely. We continued with daily contact via virtual platforms to maintain team cohesion.

Train the trainers, Zhanjiang, China

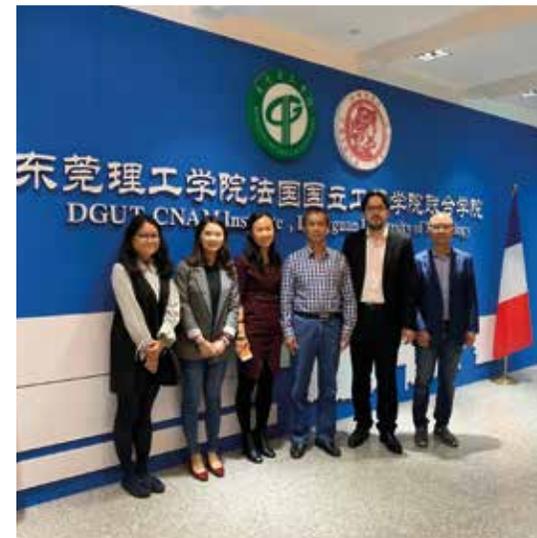
For the second time, 29 collaborators participated to the “Train the Trainers” project. They were selected after recommendations and management selections. All participants were satisfied and this training helped them to improve their teaching skills.



Other measures regarding talent attraction and retention

Because SGD Pharma is continually seeking new talents, worldwide, we renew our partnerships with some schools:

- Nanjing University of Science and Technology (School of Sino-French Engineering)
- Zhanjiang Special Education School
- Dongguan University of Technology and Conservatoire National des Arts et Métiers
- Ecole Nationale Supérieure de Création Industrielle



Yearly Human Resources cycle

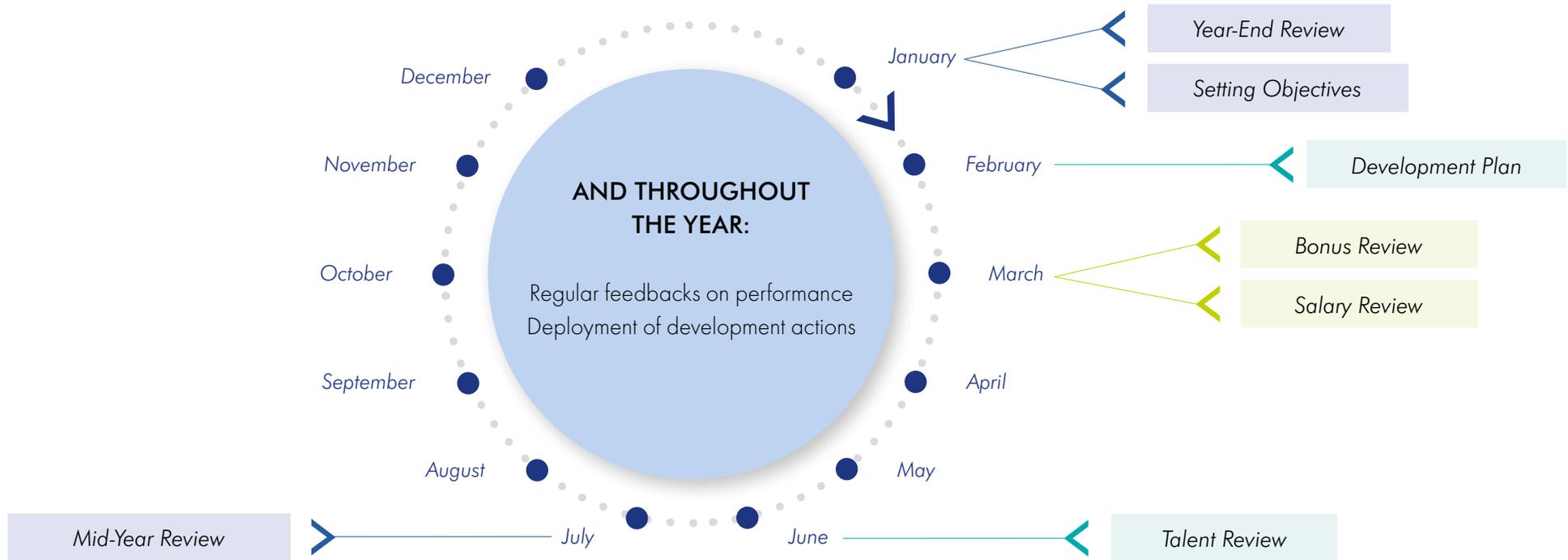
The yearly Human Resources (HR) cycle is our integrated approach to people development supported by SAP SuccessFactors. It covers performance management, talent development and reward. It is also a managerial commitment: spend quality time throughout the year with our people, have an open dialogue on their development, ensure a fair assessment of their performance, and invest in their development. In 2020, the development plan for managers was fully deployed. Moreover, a focus was made to make sure that operators, technicians and foremen can discuss their performance and well-being at least once a year.

Focus on:

Performance

Talent

Reward





“SGD Pharma is not only working hard to remain a reliable, high quality Pharma packaging supplier for its customers, SGD Pharma is now enlarging its scope of activities towards structured services to bring more value-added to its customers. Thus, we continue to improve our development processes and services. In 2020, we went a step further ahead into digital. We updated our website, created a WeChat platform in China, improved our visibility worldwide through social media, webinars to increase our visibility and increased the number of email campaigns in order to keep employees, customers and stakeholders up-to-date with all our activities. We are looking forward to continuing to digitally innovate the business as we move forward, which will also enable us to attract the best possible new talents.”

CAROLE GRASSI

CHIEF INNOVATION AND DEVELOPMENT OFFICER

2020

Results

| | 2020 |
|---|------|
| Attrition rate | 2,3% |
| Average hours of training per year per employee | 18 |
| % of employees trained vs. number of employees | 85% |

In 2021, our priority will be to:

- Deploy the new SGD Pharma management model
- Improve talent retention
- Finalize the digitalization of our HR process



1.3 SOCIAL DIALOGUE & DIVERSITY

We strive to create a positive work environment and atmosphere through social dialogue tools and measures fostering diversity. Social Dialogue is a term used to denote all instances of negotiation, joint working, or even simple exchange of views between employers' and workers' representatives. However, in Europe, most of these exchanges are formalized through collective agreements and take place in an organized Group committee.

Social Dialogue

France

We are aware that work organization evolves especially in the context of a global pandemic. As such, a work from home policy has been established by the direction and social partners in France. This charter was experimented between lockdowns in France to see if this way of working could be possible at the end of the crisis. The eligible employees could work from home two days a week. Collaborators showed great interest in this management system. After the pandemic, it could lead to a new way of management.

Germany

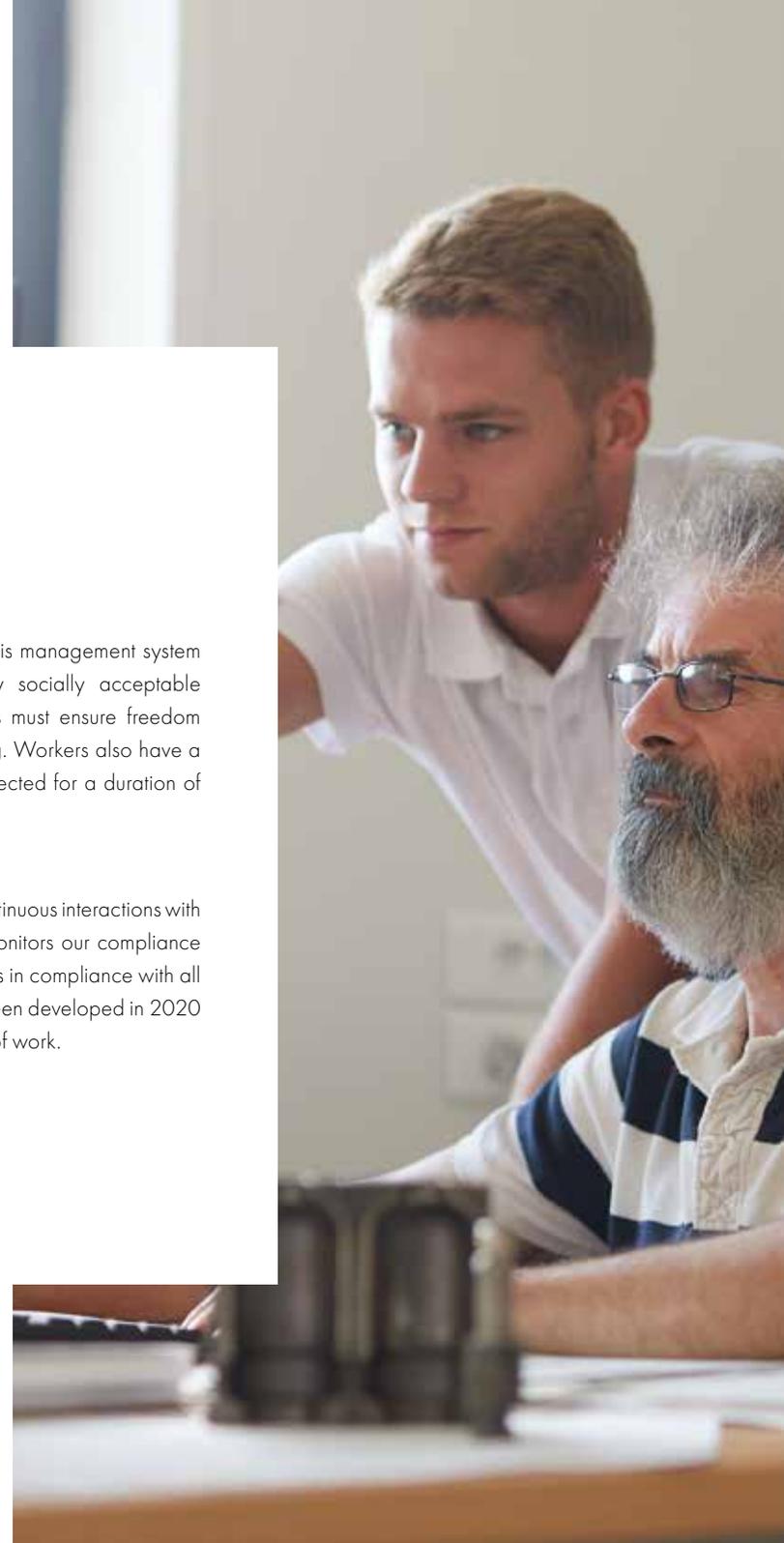
Trade unions and representatives of work councils work closely with the direction. Both always participate in discussions and in the process of signing the collective agreements.

China

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

India

In India, social dialogue is promoted through continuous interactions with the Inspector of Factories Department which monitors our compliance with regards to Indian standards. SGD Pharma is in compliance with all standards. Moreover, a new leave policy has been developed in 2020 for the employees to understand their eligibility of work.





Diversity

By nature, SGD Pharma is an international and multicultural company. We truly believe that diversity is a key driver for cohesion, knowledge transfer and ultimately performance. At hiring, no discrimination is made regarding gender and any other minority. Moreover, no harassment is tolerated.

Gender equity

Our industry is one sector where men are a majority among employees. We try to increase equality among both managers and the whole organization. We also promote wage equality between men and women.

Our trainees and apprentices

Every year we welcome trainees and apprentices. They are proactive members of the team who offer inspiration in many topics for the company. In return, we provide valuable opportunities for them to learn and improve their skills. In 2020, in Europe, we welcomed 62 apprentices and trainees.

2020

Results

| | 2020 |
|--|------|
| % of the total workforce covered by a formal agreement | 73% |
| % of women in top management position | 28% |
| % of women in the whole organization | 37% |

2



OUR BUSINESS VALUES

QUALITY OF SERVICE & COMPETITIVENESS

GLOBAL ETHICS POLICY

SUSTAINABLE PROCUREMENT

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

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

BUSINESS

Interview



"SGD Pharma is committed to conducting business in compliance with applicable laws and regulation especially in such an uncertain global environment. The Supplier Code of Conduct is the newest addition to our business ethics measures and proves that we deeply care about how business is conducted by all our stakeholders."

EMMANUELLE CAMUS-NIKITINE

GROUP GENERAL COUNSEL

2.1 QUALITY OF SERVICE & COMPETITIVENESS

Our business has an inherently high scrap rate and requires multiple manufacturing steps due to the sophistication of our products. Striving for excellence, SGD Pharma has developed a strict Quality policy that addresses two major challenges:

- Meeting the highest levels of customer satisfaction
- Strictly complying with the requirements of Health and Drug regulations and standards (FDA, CFDA, EMEA etc.)

Quality policy

In 2020, we developed a new Quality policy which revolves around 4 axes:

Consider Customers first

- Develop a customer focused, pharma-oriented culture across the company
- Embrace client's quality expectations in everything we do
- Anticipate market trends to provide appropriate solutions
- Ensure that all SGD Pharma employees understand the customer and pharma industry needs
- Implement fast and effective action on client's quality concerns and regulatory needs

Integrate Pharmaceutical and regulatory environment

- Ensure SGD Pharma compliance to all applicable regulations
- Maintain the ISO 15378 (Good Manufacturing Practices for primary packaging) certification at all relevant locations
- Ensure that employees understand applicable regulations and norms
- Control applications of regulations and norms with appropriate depth and frequency
- Anticipate regulatory requirement evolution

Develop our talent

- All employees are fully aware and actively involved in the Group's quality objectives
- Create the necessary conditions to develop individual skills and facilitate best practices sharing
- Assess employee's qualification and competencies, take preventive and corrective actions
- Train all employees to increase their competencies to meet quality needs

Strive toward zero defects

- Implement continuous improvement culture and tools throughout the entire organization
- Perform regular Quality Reviews at sites and at group level using data analysis to define quality roadmap
- Use systematic data driven problem-solving tools to increase process robustness
- Set targets to drive regular improvement of quality year on year
- Implement technologies to increase process robustness by eliminating all source of variations
- Sponsor and support new development tools, processes or technologies that lead to guarantee "zero defects"
- Use FMEA methodology to assess risks and implement robust mitigation

Zoom on Quality Days

Three times a year, we gather our quality managers from each plant across the world for two days to work on common issues and share each sites' best practices. Through this kind of workshop, we instill a Pharmaceutical mindset in the company and enhance team spirit and company quality network. Despite Covid-19, we maintained our sessions by adapting them half face-to-face, half by Microsoft Teams respecting time constraints.



Contribution of Quality in CSR Strategy

As a sustainable partner for our customers, we provide them with the highest quality of products and services, while responding to their needs and requirements. In 2020, SGD Pharma quality improvement strategy put its focus on 4 axes:

Customer management:

- Be recognized by our customers as dedicated pharma partners and preferred suppliers for quality & service
- Set specifications adapted to their needs
- Develop pharma mindset cross the Group

Quality assurance system & Regulatory affairs:

- Develop our regulatory support to customers
- Maintain ISO certification in all plants and used as efficient tool

Quality of the product:

- Progress toward zero defect generation (Hot End) and 100% defect detection (Cold End)
- Invest in best technologies for inspection machines

Process control:

- Set SPC* for process, and statistical monitoring for QC checks

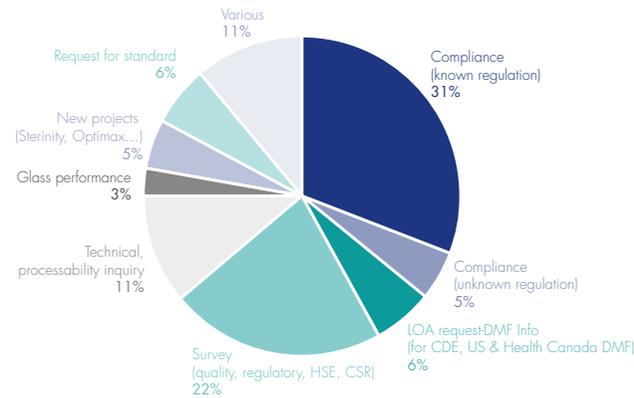
*Statistical Process Control
 **Good Manufacturing Practices
 ***Chinese Food and Drugs Authorities

Actions in 2020

- Roadmap 2020/2025 is being finalized. Key actions are:
 - Finalize implementation of induction program on GMP** topics
 - Provide support to plants to deploy quality best practices (batch record, 8D, SPC, optimized control plan) and improve pharma-mindset
 - Build quality maturity matrix, assess maturity level, define plan to improve (2020) and start plan (2021)
 - Build and deploy annual product review
- Increase participation in association /committees + continue development of regulations network & communication
- Continue regulatory file submission at the CFDA*** according to bundle approval: 10 to be updated + 8 to be created



Customer inquiries - Incl. LOAs*



EMEA 63%,
 Americas 10%,
 DACH 10%,
 India 9%,
 APAC 8%

*LOA: Limitation of Authorities policy

Interview



"At SGD Pharma, we conduct business with our customers by guaranteeing them our involvement in corporate social responsibility. We think that our proactivity, and our collaborative approach on EcoVadis & CDP proves to our customers that we deeply care about sustainability."

LAURENT ZUBER
CHIEF COMMERCIAL OFFICER AND
GENERAL MANAGER WEST WORLD

Supply chain

As a leader in pharmaceutical glass manufacturing, we must be reliable and to ensure we always meet the needs of our customers. In 2020, we have focused on some major projects:

Load factor optimization

This is a long-time project which was initiated in 2018 and completed in 2020. Many shipments were done with small quantity of pallets which induced higher internal workload and more quality issues. Thus, the number of shipments with less than 12 pallets decreased by more than 20%. In 2020, the average number of pallets per shipment is 28,6 whereas it was 25,9 in 2019.

Storage facility, Sucy-en-Brie, France

In 2020, the storage facility was enlarged to enable fewer transportations between our storage third-parties. It has been improved to ensure better quality of our products and better safety for our collaborators.

2020 Results & 2021 targets

| | 2020 | 2021 |
|--|-------|------|
| Quality | | |
| Customer claims evolution in ppm (from a y-1 basis) | -94% | -46% |
| CAPA* treatment (%) | 100% | 100% |
| ISO 15378 certified plants | 100% | 100% |
| Supply | | |
| OTIF1 (on time in full) | 98,8% | 99% |
| Regulatory affairs | | |
| Number of regulatory inquiries | 756 | - |
| Average time (in days) to close a regulatory inquiry | 10 | < 20 |

*CAPA: Corrective And Preventive Actions



2.2 BUSINESS ETHICS

SGD Pharma conducts business in many countries and is therefore under the scope of various regulations. As a result, we are very attentive to any changes or new regulations that could affect our operations.

Group policies

Our Code of Business Conduct and Ethics

SGD Pharma's Code of Business Conduct and Ethics is the foundation of the Group's actions in terms of business ethics and is an integral part of SGD Pharma's culture, acknowledged and followed by every employee or person acting on the behalf of the company. It is divided into 8 parts:

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

FCPA Policy

This policy clarifies and develops the guiding principles mentioned in our Code of Business Conduct and Ethics. The purpose of this policy is to ensure compliance with all applicable laws (e.g. U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, French "loi Sapin II") and to prevent employees, managers, directors and any affiliates or person acting on the behalf of the company, from being involved in "**active**" (offering, promising, granting) or "**passive**" (soliciting, agreeing, receiving) Corruption by setting forth the appropriate guidelines and principles.

Our 2020 action plan

SGD Pharma believes that the way we achieve results is equally as important as the result itself. In 2020, we improved our strategy and actions on Business Ethics-related topics. Our arsenal was completed by a Supplier Code of Conduct

1. Training on anti-corruption

We believe that the best way to mitigate risks related to corruption and to prevent corruption acts is to educate our employees and develop an anti-corruption company culture.

Our first anti-corruption global training was conducted at Group level in 2018. In 2020, we renewed the group-wide anti-corruption campaign. An anti-corruption manual has been spread throughout the group for all employees. This manual explicates our business relationships and the impact of corruption through the world. It also explains the procedure of our whistleblowing system which is available to all our stakeholders.

Moreover, an e-learning task regarding business issues was conducted at the end of 2020 for at-risk employees. Once the e-learning was completed, a certification was awarded.



2. Assessment of third parties: review and improvements

National and international laws and regulations recently entered into force, with an objective of strengthening the obligation for firms to ensure that their third parties are not under international sanction lists and have not been convicted of corruption.

All third parties are implicated by the procedure across the Group (customers, suppliers, distributors, commercial agents...).

Our third-party validation procedure includes:

- **Initial control:** once in advance contact with a new third-party, they are all assessed, regardless of their country.
- **Periodic control:** intensification of the verification cycle of all the database. Ranges from one periodic control a year to at least one per semester.

If a serious issue with a third-party is detected through the Dow Jones' Risk & Compliance tool alert system, the case is brought-up to the legal department for further investigation and discussed at the level of the SGD Pharma Compliance Committee. If case issues appear to be proven and substantial, we ought to instantly cease the process with the third-party (if not already validated) or break the contract.

Cybersecurity

With the evolution of ways of working especially with home-office, cyber-risks are more than ever a top priority. Thus, we reinforced our infrastructures and the access of our remote network.

We also improved our end-point protection by securing workstations in order to avoid any vulnerability.

In China, we developed a new security plan of our network to verify any identity violations breaches.

Right now, we are in the process of digitizing all our processes especially with the widespread of "Microsoft Teams" since Covid-19. Thus, we try to improve our new way of distanced working.

2020 results and 2021 targets

| | 2020 | 2021 |
|--|------|------|
| % of at-risk employees trained on business ethics issues | 98% | 100% |
| Number of alerts reported through whistleblowing hotlines | 0 | 0 |
| Number of confirmed incidents or legal actions reported | 0 | 0 |
| Third party verification through Dow Jones (customers and agents): issues brought up | 17 | - |

We started assessment through Dow Jones Risk & Compliance and identified 6 minor issues related to third parties, but none were relevant enough to engage further procedure.

As part of our action plan in 2021, we plan on signing a new remote connection policy.

Interview



“We implemented a Supplier Code of Conduct and CSR questionnaire in 2020 and sent it to our critical suppliers. The suppliers are now rated on their CSR performance at the same level as quality, finance and delivery. We aim to continue to develop partnership with suppliers that deeply care about social and environmental topics.”

BIHAG SHAH
GROUP PURCHASING DIRECTOR

2.3 SUSTAINABLE PROCUREMENT

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

Our sustainable procurement policy

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

- Our Code of Business Conduct and Ethics
- Our FCPA policy
- Our Limitation of Authorities policy
- Our Third-Parties validation procedure

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

Embed CSR principles in purchasing practices and decisions: our management system and actions

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

Supplier Code of Conduct

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

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

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

Assessment through CSR questionnaires

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

*Compliance and CSR controversies

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

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

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

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

2020 Results and 2021 targets

| | 2020 | 2021 |
|--|------|------|
| % of risky suppliers for which conflict minerals information are available | 100% | 100% |
| % of critical suppliers assessed through Dow Jones* | 100% | 100% |
| % of targeted suppliers that have been assessed through CSR questionnaire | 65% | >80% |



3



OUR ENVIRONMENTAL ASPECTS

**ENERGY CONSUMPTION
& GREENHOUSE GASES**

REUSE, WASTE & WATER

**LOCAL & ACCIDENTAL
POLLUTION**

Due to the nature of our business, SGD Pharma uses a high amount of energy, leading to Greenhouse gas (GHG) emissions. Glass manufacturing requires large amounts of raw materials (sand, water, ores etc.) and can lead to hazardous releases if not well controlled.

We have set objectives for mitigating environmental impact by reducing energy consumption and CO₂ emissions, as well as optimizing water, waste management and resource efficiency. These are all areas for improvement that require financial and social investments to remain competitive.

Nevertheless, glass remains the best material to store sensitive drugs as it has limited interactions with the content and is a stable barrier to oxygen and gas. In addition, glass can be 100% recyclable.

Interview



"In 2020, our priorities have been to increase the Safety leadership of all managers and the knowledge of EHS technical subjects as such as improving even more environmental mindset throughout the group. We believe that sharing best practices help cohesion team and improve our efforts to tackle environmental, health and safety issues."

LAURENT THURET

GROUP EHS DIRECTOR

ENVIRONMENT

3.1 ENERGY CONSUMPTION & GREENHOUSE GAS EMISSIONS

Glass manufacturing is a very energy-intensive process due to its very high melting temperature (above 1500°C). Additionally, some of the raw materials used in the fusion contain CO₂, which is emitted into the atmosphere during the melting process.

Thus, to reduce our GHG emissions and mitigate climate change, we strive to continuously improve the energy efficiency of our industrial process. We invest in the **Best Available Technologies** (BAT) for our furnaces and continuously upgrade our installations throughout the industrial process.

Energy management at SGD Pharma

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

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

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

- Energy review: identification of main energy uses, set energy performance indicators, objectives, targets, and related action plans
- Implementation of action plans previously designed and integrate energy performance objectives in procurement practices
- Verification: monitoring, measurements, and analysis
- Corrective actions: improvement phase considering non-conformities

Interview



"Glass manufacturing is a high-consuming energy process. The furnaces overhauling is a unique opportunity to implement best available technologies to increase the energetical performance by 10% and reduce GHG emissions. SGD Pharma Engineering and EHS teams are working closely together to identify and implement the solutions to decrease our environmental impact. To be sustainable, our process is evolving. It improves its efficiency & decreases GHG emissions."

LUC DEFFONTAINES
TECHNICAL & ENGINEERING DIRECTOR

Improvements in energy efficiency and savings

Heat recovery project, Vemula, India

Waste heat generated in the furnace by fuel combustion is heat that could be valued. In 2019, a waste heat recovery system was installed on the furnace in Vemula, India and the energy we recover is used to generate air conditioning. Then in 2020, the system was spread in order to increase the energy recovery of the furnace even more.

This allows us to recover a large quantity of waste heat and avoid considerable Scope 2 CO₂ generation.

High performance compressor, Zhanjiang, China

Compressed air is largely used in our process.

In 2020, an improvement plan of compressors has been developed at the Zhanjiang plant in China. The compressed air system has been upgraded which leads to reduced energy consumption.

Future projects for improvements in energy efficiency and savings

Furnace reconstruction

The furnace involves the highest consumption of energy during our industrial processes. At the beginning of 2021, the furnace 2 in Sucy-en-Brie, France will be rebuilt with a complete redesign. At the end of 2020, all the purchases and design of the furnace have been completed.

The furnace design and combustion equipment used are the Best Available Technologies. They are leading to lower NO_x, SO_x, and dust emissions and increase energy efficiency. For the next few years, rebuilding of furnaces is planned in three of our plants.

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

Green electricity project

The production of glass is a high energy consuming process. To limit its environmental impact, it is especially important for SGD Pharma to study project that can limit also Scope 2 emissions.

SGD Pharma has launched in 2020 a worldwide solar panel study, with the goal of installing solar panels on the roofs of our plants.

Not only will we generate green electricity, but our energy efficiency would increase by 10%. In India, the project is due to be completed in 2022.



2020 Results

| | 2020 |
|----------------------------------|---------|
| Electricity consumption (MWh) | 227 208 |
| Fossil fuel consumption (MWh) | 562 381 |
| Overall energy consumption (MWh) | 789 589 |
| ISO 50001 certifications | 3/6 |

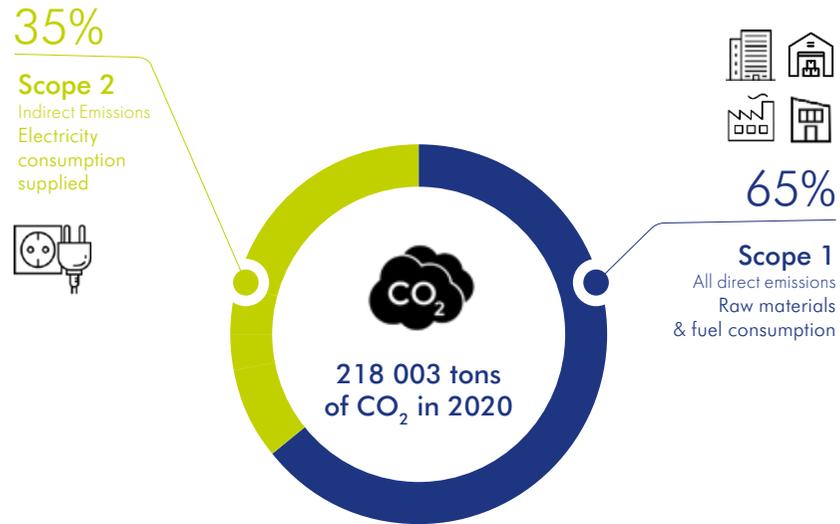


“Climate-related objectives have been incorporated in our 2020-2025 Business Plan. This demonstrates our strong commitment to addressing and mitigating climate change while also reducing the risks associated with our business. With the rebuilding of our furnaces with the best available technologies, we plan on reducing our energy consumption by 10% which will minimize the CO₂ emissions of 5% per ton of goods produced. We will continue to set clear targets and objectives to ensure we minimize our impact on the environment.”

CHRISTOPHE MUGUET
CHIEF OPERATING OFFICER

Distribution of GHG emissions by Scopes and sources

The GHG footprint **Scope 1 & 2** at our five production sites represents over **99%** of our calculated overall emissions



Among our plants, we have identified 3 main sources of CO₂ emissions, which account for over **99% of the calculated overall emissions**:

- **All direct emissions** represent **65%** of our overall CO₂ emissions which are equivalent to Scope 1 emissions. Plants producing Type 1 glass (borosilicate) have a much lower rate of process emissions. Fuel consumption for heat generation represent 50% of our overall emissions.
- **Electricity**: represent **35%** of our overall CO₂ emissions. This is equivalent to Scope 2 emissions. These emissions come primarily from our production sites in Asia and Germany, as electricity is largely carbon-free in France.

2020 results

| | 2020 |
|---|----------------|
| Tons of CO ₂ e emitted (Scope 1 & 2) | 218 003 |

In 2021, we will **explore Scope 3 emissions categories**, which have been identified as material, to launch emission reduction programs and quantify the reductions.

Eventually, concerning CDP assessment, our score has increased in 2020, reaching **score B**. For 2021, we aim to maintain our **score B**.

*Carbon dioxide equivalent which is a metric measure used to compare the emissions from various greenhouse gases.
 **Processes emissions are emissions related to the carbonated raw materials used in our process (Limestone, soda ash...).

3.2 WATER & WASTE MANAGEMENT

The basic input resources in our manufacturing processes are:

- Virgin raw materials (sand, lime, soda ash, etc.)
- Energy (fossil fuels, electricity)
- Water

In a global context of **resource scarcity**, we are using natural resources with the utmost care. We **reuse our internal glass scraps** and ensure no raw material is wasted.

Using cullet in the process offers several advantages. It reduces energy usage as the melting temperature decreases and it reduces CO₂ emissions that are related to energy consumption and raw material decarbonization.

Glass manufacturing generates waste related to packaging (wooden pallets, plastic and metal packaging...), equipment and facilities (refractories, metal scraps etc.) and process (refrigerants, sludges, oil etc.).

We have a clear ambition for waste management: **reduce, reuse, and recycle**.

Moreover, 3 plants were **ISO 14001 certified** in 2020 (Kipfenberg, Zhanjiang and Vemula) and we plan on **certifying 2 additional plants** (Sucy-en-Brie and Saint-Quentin-Lamotte) **by 2021**.

Water management

Our water management approach revolves around 2 axes:

- Responsible consumption of the resource
- Treatment of water and monitoring its quality

SGD Pharma uses water mainly for cooling purposes in the melting and forming stage of the industrial process. To reduce our water consumption, we installed closed loop circuits at our plants. Water is primarily taken from public utilities and is used to level the water pressure in our closed loop systems. Water is then treated before being reinjected into the system.

Moreover, in Vemula, India, 80% of the industrial water comes from rainwater tank which saves using water from the public network.

This has been made possible through important investments and upgrades at our facilities and water management systems.

Finally, our Group approach is based on sharing best practices between our sites. In 2020, we decided to follow a new KPI regarding water at Group level by consolidating the definition and water consumption.



Waste management

At SGD Pharma, our objectives related to waste management are:

- Reduce waste generation
- Foster reuse and recycling
- Eliminate waste to landfill

Our Group approach is based on sharing best practices between our sites. We also use as much as internal cullet as we can. More of 99% of our internal cullet is reused in our manufacturing process. We have also close contact with FEVE (European Container Glass Federation) to identify any cullet reuse opportunities.

Zhanjiang, China

Each department oversees the collection of the waste it produces. Waste is identified as hazardous or non-hazardous and once it is done the identification is registered to the environmental authorities. Hazardous waste is kept in a specific storage area. Every month, a service provider visits the site to take care of waste and give the plant a certificate which helps to follow the end of life of our waste. Since 2020, we work with a local service provider which also improves our Scope 3 CO₂ emissions.

Sucy-en-Brie, France

Each department is responsible of sorting their waste. Bins are arranged throughout the plant and once they are full, our service provider comes on site and takes care of waste disposal. All waste is traced for us to understand which waste is valorized, recycled or incinerated. We are currently in the process of drafting a whole waste management procedure for our employees to understand how waste is managed. Moreover, our Sucy-en-Brie plant is experimenting a zero single-used plastic waste policy. All single-used plastic in the process to be replaced, such as plastic cups and single-use plastic water bottles by installing water fountains and gourds.



Saint-Quentin-Lamotte, France

Waste is sorted by hazardous and non-hazardous waste. Containers of different colors are present throughout the plant in order for all teams to sort through their waste. In 2020, a huge effort has been made regarding wood. Wood is a natural and recyclable resource and is used for the pallets in the plant. All pallets that are not badly damaged are sold and recycled into new ones to be sold again. The damaged wood is recycled or energetically valorized.

Kipfenberg, Germany

One of the main actions completed in 2020 has been to sort the commercial waste more efficiently. Special bins have been created to sort paper from the ordinary waste. Next year we plan to sort the plastic from the commercial waste even further which would reduce the ordinary waste by 15 tons.

Vemula, India

Hazardous waste is under local regulations and must be well handled. Thus, the storing is in designated containers and a scrap procedure has been created and must be followed by each department. In 2020, a handling procedure has been developed. Training was delivered regarding handling and storage.

2020 results

| | 2020 |
|---|------|
| % of recycled waste | 45% |
| Total amount of waste (in tons) | 5279 |
| Total amount of hazardous waste (in tons) | 875 |
| Water consumption relative to production (m ³ /ton of glass) | 2,23 |
| ISO 14001 certifications | 3/6 |

For the first time, we will address the questionnaire CDP Water Discharge. We will aim for a Score C. We will have a better overview of our consumption and we will set even clearer targets and objectives to continue improving.

3.3 LOCAL & ACCIDENTAL POLLUTION PREVENTION

If our manufacturing processes and resources are not well handled, it may result in environmental impacts such as: air emissions linked to combustion, discharges of contaminated water and noise pollution.

However, SGD Pharma remains proactive and committed to reducing these impacts and has implemented action plans and measures that prevent and mitigate these risks.



Our actions to prevent local pollution

Control of water discharge parameters

A significant amount of water consumed in our process is discharged into the public water network and waterways and therefore, must be treated and monitored.

We have installed de-oiling and decantation tanks at our plants to separate pollutants from the water rejected to rainwater networks. Several plants are also equipped with their own wastewater treatment stations. Our French site of Saint-Quentin-Lamotte, a new system of water treatment has been implemented in order to increase the quality of water effluent.

All our plants are monitoring and collecting samples each day for several parameters, such as:

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

Noise pollution

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

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

*COD: Chemical Oxygen Demand in wastewater

**BOD: Biochemical Oxygen Demand in wastewater

Interview



"Working at SGD Pharma since 1980, I've witnessed the evolution in the way we conduct business. At the head of Quality since 2004 and EHS since 2018 at the Kipfenberg plant, one of our main goals throughout the last few years was to create an EHS team. Thanks to the support of our headquarters, we were able to build up an entire EHS team and improve the management process. Reducing water consumption and creating a waste management control system were our main objectives and we aim to improve our internal processes."

KONRAD STENGL
EHS & QUALITY MANAGER

Mitigate air emissions

The main pollutants released in the atmosphere during the manufacture of glass are nitrogen oxides (NO_x) and sulfur oxides (SO_x). In high concentration, these can have adverse impacts on health and environment. Additionally, other air pollutants, such as dust, can be emitted during the process. Various plants are equipped with air emissions abatement systems such as electrofilters or De-Nox. Since 2020, we follow new KPIs at group level regarding NO_x emissions which will help us understand the impact of each plant in term of air emissions.

2020 results

| | 2020 |
|---|--------------|
| Total amount of SO _x emitted (in tons) | 253,9 |
| Total amount of NO _x emitted (in tons) | 256,6 |

4

OUR
LOCAL
INITIATIVESFROM AROUND
THE WORLD

SGD Pharma local initiatives are programs, projects and actions that are conducted near our locations around the world. Through these initiatives, we support local and community development, by promoting health, sports, education, culture, and protecting the environment. These initiatives are conducted on a voluntary basis and reflect our ambition to share the value created through our activity with communities.

LOCAL

First-aid course, Kipfenberg, Germany

In September 2020, 11 volunteers participated in a first-aid course. They were trained by the local Red Cross in first-aid measures, learning about resuscitation and handling as well as how to keep stable lateral position, how to handle a defibrillator, make a head bandage and pressure bandage. The training took place in a large hall where all safety measures were respected.



Our local initiatives

From around the world

2020, World Environment Day, Vemula, India



World Environment Day is celebrated each year on 5th June in over 100 countries. As global warming is increasingly frequent public health challenges, SGD Pharma recognizes how important the environment is to human well-being. SGD Pharma India organized events for World Environment Day to raise global awareness, promote sustainable efforts and implement positive environmental actions among employees. The theme in 2020 was "Time for Nature" which aimed to focus on the role of Nature in providing the essential infrastructure that supports life and human development. Supporting our commitment to the planet, SGD Pharma India held a sapling planting event at the factories.

Dental and eye checkups, Vemula, India



At SGD Pharma, we take care of the health and safety of our employees very carefully, health checkups are organized with medical teams from a local center. Twice a year, an eye checkup and a dental checkup are provided by the local diagnostic center. 303 employees can benefit from this initiative.

Our local initiatives

From around the world

2020, SGD Pharma Asia-Pacific Opening Day, Zhangjiang, China



For the first time, SGD Pharma Asia-Pacific opened its door to its employees' children. 16 children aged between 10 and 15 years old were invited to understand their parents' working environment and helped employees improve their safety awareness. Children along with their parents and safety captains, visited the factory.

At the end of the visit, the kids presented a safety video they had recorded to all employees and received some presents in recognition of their work.

Together we are stronger, Zhangjiang, China



Covid-19 broke out in China in early January 2020 and resulted in a shortage of anti-viral materials on the market. In order to support SGD Asia Pacific, the SGD Pharma Group managed to acquire masks leveraging purchasing teams in India, Germany and France. Two collaborators from the French purchasing team took flights to deliver masks in Thailand. There, a team from SGD Pharma Asia-Pacific took delivery of these masks and brought them back to China. Thanks to collaboration throughout the group, the operations in our Chinese plant were able to run smoothly.

Our local initiatives

From around the world



SGD Pharma Saint-Quentin-Lamotte, France

SGD Pharma Saint-Quentin-Lamotte donated gloves, hand sanitizer and gowns to hospitals and local medical workers.

SGD Pharma Vemula, India

More than 6,000 masks and 6,000 sanitizers were donated by SGD Pharma Vemula to healthcare workers, task force and government officials.

SGD Pharma Kipfenberg, Germany

SGD Pharma Kipfenberg donated 800 protective glasses to a local clinic.

SGD Pharma Sucy-en-Brie, France

Socks, gloves, gowns, caps and face masks were donated to two hospitals in the South of Paris area.

SGD Pharma Asia-Pacific

SGD Pharma Asia-Pacific donated 2,000 masks, 90 barrels of disinfectants, 35 barrels of hand sanitizers, 10,090 pairs of gloves and 1,942 pairs of goggles to the Zhangjiang Red Cross and Zhangjiang local governments.



CSR DASHBOARD 2020

& 2021 Objectives



| Material topics | Commitments | Key performance indicator | Unit | Achievements | | Trends | Objective |
|-----------------|-------------|---------------------------|------|--------------|------|--------|-----------|
| | | | | 2019 | 2020 | | |

Our people



| | | | | | | | |
|---------------------------------|--|---|-----|-------|--------|---|-----|
| Health and Safety | Zero accident, | FR1 (Lost time injury rate for direct workforce) | - | 2,5 | 3,41 | ↗ | 2,2 |
| | Zero occupational illness | LTA + NLTA (Lost time accident + non lost time accident) | - | 27 | 32 | ↗ | 24 |
| Career management and trainings | Attract, develop and retain our talents | Turnover | % | 7,40% | 10,40% | = | - |
| | | Number of employee trained vs number of employee | % | 85% | 85% | ↗ | - |
| | | Average hours of training per year per employee | hrs | 28,25 | 18 | ↘ | - |
| Social dialogue & diversity | Equal employment and promotion opportunities | % of the total workforce covered by a formal agreement | % | 73% | 73% | = | - |
| | | % of women in top management position | % | 32% | 28% | ↘ | - |
| | | % of women employed in relation to the whole organization | % | 39% | 37% | ↘ | - |



Our Business Values

| | | | | | | | |
|--|--|--|---|--------|--------|---|------|
| Quality of service and competitiveness | Zero non-conformity | OTIF 1 (On-time-in-full-delivery) | % | 99,30% | 98,80% | ↘ | 99% |
| | | Customer claims (evolution from a y-1 base) | % | -14% | -94% | ↘ | -46% |
| Global business ethics policy | Full compliance with national and international laws and regulations | At-risk employees across all locations who received training (e.g. e-learning) on business ethics issues | % | 96% | 98% | ↗ | 100% |
| | | Number of alerts through the whistleblowing hotlines | - | 0 | 0 | = | 0 |
| Sustainable procurement | Strengthen our supply chain and ensure business continuity | % of critical qualified suppliers assessed through Dow Jones (third-party verification) | % | 100% | 100% | = | 100% |
| | | % of targeted suppliers that have been assessed through CSR questionnaire | % | - | 65% | | >80% |



Our Environmental Aspects



| | | | | | | | |
|---|---|---|---------------------|--------|--------|---|-----|
| Energy consumption and Greenhouse gases | Improve energy efficiency and tackle Climate Change | Overall energy consumption | MwH | 766509 | 789589 | ↗ | - |
| | | Annual GHG emissions (Scope 1 & 2) | tCO ₂ eq | 214011 | 218003 | ↗ | - |
| Reuse, waste, and water | Optimize water use, reduce waste generation and abolish waste to landfill | Water consumption relative to production | m ³ /tg* | 2,523 | 2,23 | ↘ | -1% |
| | | Waste recycling rate (recycled waste / total amount of waste generated) | % | 41% | 34% | ↘ | - |
| Local and accidental pollution | Having a positive impact on our local environment | Total amount of NOx emitted (in tons) | - | 509,2 | 245,9 | ↘ | - |
| | | Total amount of SOx emitted (in tons) | - | 391,6 | 225 | ↘ | - |

Global reporting initiative equivalence table

SGD Pharma defined and aligned its CSR strategy and reporting methodology in accordance with the principles of the Global Reporting Initiative. The GRI provides a robust framework and allows us to assess our compliance against international CSR standards, which are widely recognized and acknowledged as benchmark for CSR reporting practices.

Global reporting initiative equivalence table

| STANDARD DISCLOSURE N° | GRI INDICATOR | SECTION TITLE | PAGE |
|-------------------------------|---|--------------------------------------|-------|
| 102 | General disclosures | | |
| <i>Organization profile</i> | | | |
| 102-1 | Name of the organization | - | 1 |
| 102-2 | Activities, brands, products, and services | Business Model | 4 |
| 102-3 | Location of headquarters | Business Model | 4 |
| 102-4 | Location of operations | Business Model | 4 |
| 102-5 | Ownership and legal form | | |
| 102-6 | Markets served | Business Model | 4 |
| 102-7 | Scale of the organization | Business Model | 4 |
| 102-8 | Information on employees and other workers | Business Model | 4 |
| 102-9 | Supply chain | Business Model/Our business values | 4, 17 |
| 102-11 | Precautionary Principle or approach | Our environmental aspects | 25 |
| 102-12 | External initiatives | Business Model/Our local initiatives | 4, 35 |
| 102-13 | Membership of association | Business Model | 4 |
| <i>Strategy</i> | | | |
| 102-14 | Statement from senior decision-maker | Editorial | 2 |
| 102-15 | Key impacts, risks, and opportunities | Risks & performance | 7 |
| <i>Ethics and Integrity</i> | | | |
| 102-16 | Values, principles, standards, and norms of behaviors | Business Model/Our business values | 4, 17 |
| <i>Governance</i> | | | |
| 102-18 | Governance structure | CSR Governance at SGD Pharma | 3 |
| 102-19 | Delegating authority | CSR Governance at SGD Pharma | 3 |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | CSR Governance at SGD Pharma | 3 |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | CSR Governance at SGD Pharma | 3 |
| 102-22 | Composition of the highest governance body and its committees | CSR Governance at SGD Pharma | 3 |
| 102-23 | Chair of the highest governance body | CSR Governance at SGD Pharma | 3 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | CSR Governance at SGD Pharma | 3 |
| 102-32 | Highest governance body's role in sustainability reporting | CSR Governance at SGD Pharma | 3 |
| <i>Stakeholder engagement</i> | | | |
| 102-40 | List of the Group's stakeholders | Business Model | 4 |
| 102-41 | Collective bargaining agreements | Our people | 8 |
| 102-43 | Approach to stakeholder | Business Model | 4 |
| 102-44 | Key topic and concerns | Business Model/CSR at SGD Pharma | 4, 6 |

| STANDARD DISCLOSURE N° | GRI INDICATOR | SECTION TITLE | PAGE |
|---------------------------------------|--|---|----------|
| <i>Reporting practice</i> | | | |
| 102-46 | Defining report content and topic boundaries | CSR at SGD Pharma | 5, 6 |
| 102-47 | List of material aspects identified in the process for defining report content | CSR at SGD Pharma | 5, 6 |
| 102-48 | Restatements of information | CSR at SGD Pharma | 5, 6 |
| 102-49 | Changes in reporting | CSR at SGD Pharma/Our environmental aspects | 5, 6 |
| 102-50 | Reporting period | CSR at SGD Pharma | 5, 6 |
| 102-51 | Date of most recent report | CSR at SGD Pharma | 5, 6 |
| 102-52 | Reporting cycle | CSR at SGD Pharma | 5, 6 |
| 102-53 | Contact point for questions regarding the report | Appendix | 47 |
| 102-54 | Claims of reporting in accordance with the GRI standards | CSR at SGD Pharma/Appendix | 5, 6, 40 |
| 102-55 | GRI content index | Appendix | 40 |
| <i>Management approach</i> | | | |
| 103.1 | Explanations of the material topic and its boundary | CSR at SGD Pharma | 5, 6 |
| 103.2 | The management approach and its components | Each sections | All |
| 103.3 | Evaluation of the management approach | Each sections | All |
| 200 | <i>Specific disclosure: Economic</i> | | |
| <i>201. Economic Performance</i> | | | |
| 201-1 | Direct economic value generated and distributed | Business Model | 4 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Risks & performance/Our environmental aspects | 7, 25 |
| 201-3 | Defined benefit plan obligations and other retirements plans | Our people | 8 |
| <i>203. Indirect Economic Impacts</i> | | | |
| 203-1 | Infrastructure investments and services supported | Business Model | 4 |
| 203-2 | Significant indirect economic impacts | Business Model | 4 |
| <i>205. Anti-corruption</i> | | | |
| 205-1 | Operations assessed for risks related to corruption | Our business values | 17 |
| 205-2 | Communication and training on anti-corruption policies and procedures | Our business values | 17 |

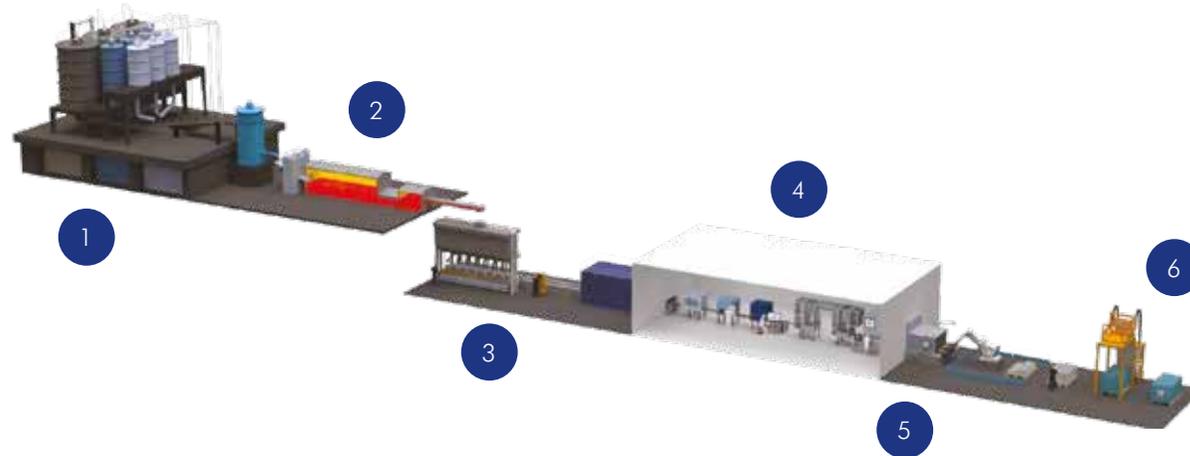
| STANDARD DISCLOSURE N° | GRI INDICATOR | SECTION TITLE | PAGE |
|---|---|---------------------------|--------|
| 205-3 | Confirmed incidents of corruption and actions taken | Our business values | 18 |
| <i>206. Anti-competitive Behavior</i> | | | |
| 206.1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Our business values | 18 |
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Our production process for molded glass

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



Step 1: Batching

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

- **Type 1:** Borosilicate glass, neutral in the mass.
- **Type 2:** Soda-lime glass with a high hydrolytic surface resistance.
- **Type 3:** Soda-lime glass with a low hydrolytic resistance.

These 3 types of glass can be flint or amber.

Step 2: Melting

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

Step 3: Forming

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

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

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

Step 4: Inspection in the cleanroom

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

Step 5: Packing

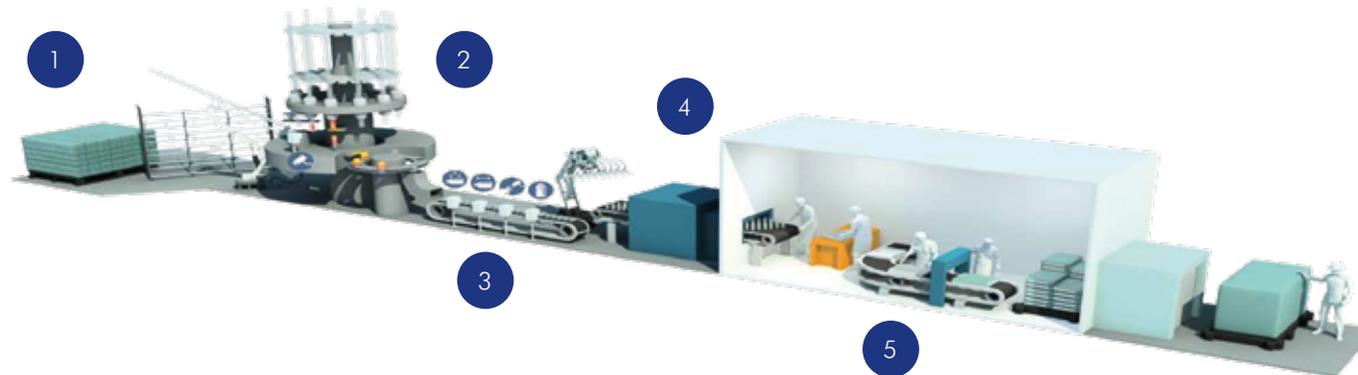
Before packing, all vials and bottles are turned upside down and blown in the clean room to minimize risk of the presence of loose particles. Shrink-wrapped pads are formed inside the clean room for maximum cleanliness. Automated palletization offers consistency and eliminates the need for human manipulation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

Step 6: Release

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

Our production process for tubular glass

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



Step 1: Tube Feeding

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

Clear or amber, the tubes are made of neutral borosilicate glass (5.0 expansion family) with high degree of Hydrolytic Resistance

Tubes are loaded by a robot on a rotative machine.

Step 2: Forming

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

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

Step 3: After forming

Vials are cooled down and blown with filtered air.

100% on-line inspections of:

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

Step 4: Annealing

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

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

Step 5: Final inspection and packing

Final inspections under clean room conditions.

Optional cosmetic inspection by off line camera

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

Global footprint

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





Glossary

UN Global Compact

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

CDP

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

EcoVadis

Ratings platform to assess corporate social responsibility and sustainable procurement.

GHGs

Greenhouse Gases (abbreviated GHGs) is a gas that absorbs and emits radiant energy within the thermal infrared range. GHGs contribute to the greenhouse effect and lead to global warming.

Scope 1 emissions

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

Scope 2 emissions

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

Scope 3 emissions

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

SA 8000 certification

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

ISO 14001 certification

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

ISO 45001 certification

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

ISO 50001 certification

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

Conflict minerals

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

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