



Mission Report 2022

Sagemcom

The Sagemcom Group

Sagemcom is a French industrial group which is a world leader in high added-value communicating products and solutions for telecom and utilities operators (video hubs, Internet boxes or multi-energy communicating solutions – water, gas, electricity).

Sagemcom designs, manufactures and delivers its products all over the world, using its own factories and industrial partners on all continents.

The Group has a turnover of €3 billion and 6,500 employees working in more than 50 countries, and has been profitable since it was created.

The employees hold a 30% stake in the Group, which is headed by a stable management team whose members have been present in the Group for more than 20 years and have been managing Sagemcom since it left the Safran group in 2008.

In 2019, Sagemcom initiated a fourth LBO, keeping Charterhouse as the Group's majority stakeholder, the remaining 30% being held by the employees (including 60% of French employees).

Sagemcom's head office is in Bois-Colombes, in the outskirts of Paris, and is the Group's nerve centre and home to its R&D operations, manned by more than 800 engineers.

The Sagemcom group pays close attention to the economic, societal and environmental issues related to its activities on a daily basis, and for many years has been implementing concrete actions to take these issues into account. Quality, ethics, safety and protection of the environment are at the heart of our fundamental values.

Driven by a strong environmental and social culture, the Sagemcom group became a "mission-driven company" in January 2022.

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Why did the Sagemcom group become

At the beginning of February 2022, Sagemcom announced that the Group was to become a mission-driven company. A fundamental commitment for Sagemcom and a genuine corporate project!

Social and environmental responsibility has been a primary concern of Sagemcom for many years. In 2011, our Group signed the United Nations Global Compact, which proposes a simple, universal and voluntary framework of commitments based on ten principles related to upholding human rights, international labour standards, the environment and the fight against corruption.

Sagemcom's CSR policy was developed on the basis of the Global Compact, by gradually incorporating our customers' demands, in terms of eco-design in particular, but also legislative and normative changes, while remaining ambitious on a certain number of subjects. Until 2013, all the Group's actions were submitted to the Global Compact in the form of a report, before becoming a "CSR Report" in 2014, which is distributed extensively beyond the boundaries of the Global Compact.



In 2021, Sagemcom obtained Platinum certification from EcoVadis for the first time. This certification means that Sagemcom is in the 99th percentile, which implies that our score (that has gone up by three points) is higher than 99% of the companies assessed. EcoVadis provides a comprehensive Corporate Social Responsibility (CSR) assessment service.

In 2022, Sagemcom's efforts were rewarded by its recognition as one of France's best high-tech employers, established by Capital and Statista, for the third year in succession. For 9 years, Capital, in collaboration with Statista, has unveiled the ranking of the 500 companies in France that are the most popular with their employees. Thousands of employees are surveyed about their quality of life at work for this study.



... a "mission-driven company"?

Over the years, this framework has allowed us to measure the importance of the actions taken by the Group, both in France and elsewhere, both on the social and environmental fronts, but also through our purchasing policy. Actions that are frequently rewarded through various external measurement tools.

As well as receiving several external certifications and recognitions, in 2021 we also made a formal commitment to reducing our carbon footprint to the SBTi. This was an opportunity to think more globally about how we should structure our commitments in order to heighten our visibility and to raise our ambitions even higher.

In 2022, the status of a mission-driven company is the logical continuation of all the actions that we have taken thus far and that enable us to give a whole new meaning to our Group.

2022 was therefore a fundamental first step in the implementation of this new status, since it was the year when we defined the indicators that will allow us to measure our commitments for each of our targets. We were indeed in a position to draw up a precise, open and shared road map that leads to the fulfilment of our commitments and that helps our social and environmental initiative to make progress.

Sagemcom has now clearly declared its social and environmental responsibilities. But this new status has also enabled us to define the associated challenges for our Group and the specific concrete goals to address them in a realistic yet ambitious way over the next few years. The status of a mission-

driven company corresponds absolutely to a long term commitment. It is a genuine transformation tool for the company and its ecosystem and means energy must be taken to build a genuine project, while setting short-term milestones to see concrete progress. An exercise that shakes up the company's energy, whose core businesses require it to work either in the long term or the short term: the combination of the two brought about by this status of a mission-driven company is in itself a first step in the transformation of the company, experienced by Sagemcom in 2022.

Who checks that the mission-driven company fulfils its commitments?

Our initiative will be regularly analysed and audited according to two compulsory criteria defined by law: the establishment of a mission committee, a new governance body to assess the ambition of the mission and check its progress, and the appointment of an independent third-party organisation that is tasked with checking that the company's goals are linked to precise and measurable indicators also, that the company is giving itself the means to achieve its goals, and with checking the results posted by the company.

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A word from the Chair of the mission c



Patrick SEVIAN
President of the Sagemcom Group

What is your initial assessment of this fi

It was essential to include internal experts in the environmental and social aspects of sustainable development in the committee. But it was equally important that the Business units and Purchasing be represented, because they contribute to the fulfilment of our commit-

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What are the next steps of this new stat

In 2022, we have focused on launching this initiative with our employees and our ecosystem. We have also held numerous internal training sessions, essential prerequisites for this status to exist and continue within our Group. We have also spent the year restructuring around this new status. We have worked on the defi-

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2023
for all

Is this a long-term project?

Yes, absolutely. Rather than rushing things, we must become fully aware of the commitment that this new status represents for the Group. It is not the result of actions have lasted a few weeks, but the fruit of a collective effort over years. Therefore, we took our time in 2022 to

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Committee: Patrick SEVIAN

First year as a mission-driven company?

on a daily basis by playing two roles: first, help us to honour and promote our commitments, but they also tell the mission committee what our customers expect of us and what we can expect of our suppliers. This mix is the committee, which perhaps does not

follow the rule book because it is not open to outsiders at this stage, was therefore essential to make this new status a genuine corporate project followed by concrete commitments!

status?

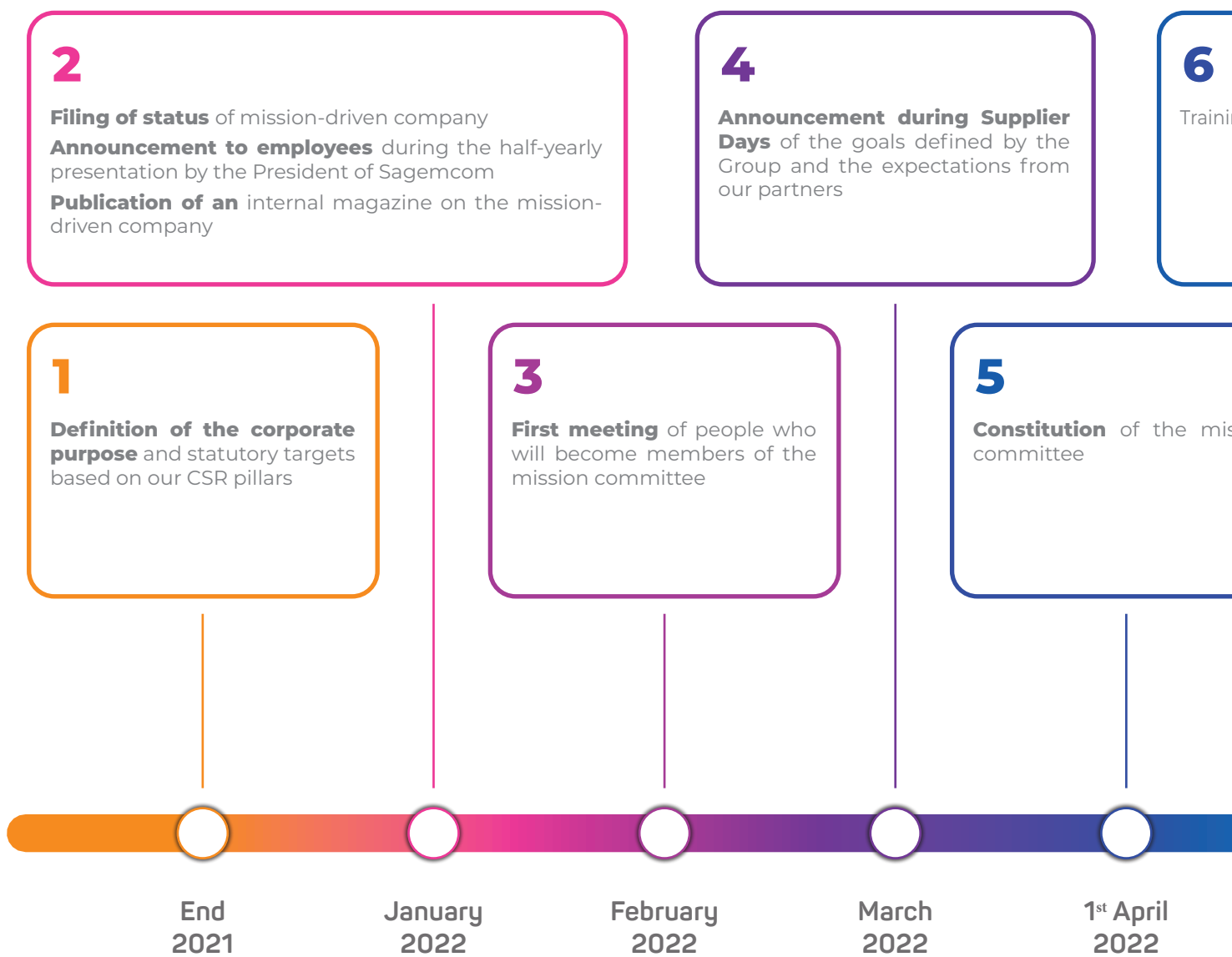
of the actions, goals and indicators that have been used to set out a common, ambitious but realistic, measurable and shared road map for the five pillars that we have incorporated in our articles of association. This marks the beginning of the "projects" defined during 2022. With the

backdrop for 2024 still being the desire and need to raise awareness among all the Group's stakeholders, be they our teams, partners or customers, of the Group's environmental and social strategy, and how, together, we can act to transform our ecosystem.

ally draw up our road map for the future to define ambitious but feasible goals in order to go even further. The status of a mission-driven company is a genuine transformation tool for the company and its ecosystem. Transformation takes time and we need to be able to

identify the challenges and possible pathways and build precise road maps to achieve the collective goals that are set. "Going even further" is becoming a strategic project and is fully integrated into our corporate culture! A project that is exciting and rewarding for every one of us.

3 Key Dates



ng for **management committees**

8
Identification and selection
of the independent third-party
organisation
Second mission committee meeting
Development of indicators:
September to December 2022

10
Start of the **audit of the independent
third-party organisation**

ssion

7
**Team training and awareness-
raising** regarding the challenges
of our mission during the half-
yearly presentation by the
President of Sagemcom

9
Mission committee meeting
to finalise the indicators



Year
2022

July
2022

September
2022

November
2022

December
2022

4

Presentation of our corporate purpose

“Thanks to the innovative solutions designed and built by our people, we enable the greatest number to meet their fundamental needs all over the world. This is our purpose. Our mission is to make sure that the design, construction and use of these solutions are sustainable and fulfil the environmental and societal commitments that are known and shared by all our employees, partners and stakeholders.

Our target is to contribute to a more responsible world, by achieving the sustainable development goals set by the United Nations. ”

Our corporate purpose has been developed by all of the Group's services and businesses and has been included in our Group's articles of association since January 2022.

It expresses the essence and continuity of the commitments made by the Group for more than 10 years through our social and environmental commitments, broken down into 5 pillars.

Sagemcom has used these 5 pillars as a basis for defining its 5 statutory targets, which are now included in the Group's articles of association and form the framework of Sagemcom's mission.

e and mission



Supporting action in favour of the environment, by considering the impact of our activities on local ecosystems and by taking into account of the specifics of every environmental and economic situation, with a view to globally combating climate change.



Enhancing innovation in our eco-design processes in order to limit the impacts of our products and services throughout their life cycles, and to help to conserve the ecological balance of our planet.



Purchasing policy based on five fundamental principles (quality, competitiveness, deadlines, innovation, and social and environmental ethics), which are shared by the Group's suppliers and subcontractors, and are guaranteed by our audit and assessment strategy.



Promoting a working environment that helps to protect the health and safety of our employees and contractors, and improves their quality of life at work.



Helping our employees to achieve their aspirations and to pursue their professional development throughout their careers in the Group by sharing our values; **valuing and encouraging every aspect of diversity**, in order to create long-lasting operational complementarity, which is a source of collective performance and individual well-being.

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Presentation of the mission committee

Our mission committee is currently composed of 10 members, appointed for 1 year. In the medium term, it may be opened up to one or two external individuals, appointed according to the transformation and/or future-oriented subjects identified as part of Sagemcom's strategy.

Following the Mission-Driven Company model, the mission committee is a governance body whose role is to monitor and evaluate the proper performance of the mission defined in the company's legal articles of association.

Chaired by Patrick SEVIAN, President of the Sagemcom Group, our 2022 mission committee includes the main operational players who will lead the transformation of our Group and our ecosystem going forward through this new status, namely the 3 Business Unit Departments, the Purchasing Department, the Human Resources Department and the Communication Department, as well as internal sustainability and HR development experts.

Why have a purely internal mission committee?

As mentioned earlier, this new mission-driven company initiative is above all part of a corporate project. It must be structuring for all the company's stakeholders, and first and foremost for all our employees.

That is why we are handling this corporate project in two stages.

First of all, we had to structure our initiative, throughout 2022, by defining our corporate purpose, our various statutory and operational targets and

finally, our performance indicators which will be used to assess us, while ensuring that all our internal stakeholders adhere to the initiative. This is why we decided to set up a mission committee that includes both the members of the Management Committee most affected by this new status (sales, purchasing, HR, R&D) as well as the operational teams in charge of deploying and monitoring the indicators. This was the crucial condition for drawing up a road map that was ambitious, tangible and achievable. This first step, conducted throughout 2022, allowed us to structure the initiative, and also promoted the ownership, deployment and implementation of the status within the Group. This specific constitution (because it is not open to members outside the company) was intentional and has proven successful in this first year during which we have taken ownership of this new status, understood it and learned about it.

In 2023, a new structuring of the mission committee will be considered, as regards to both the representation of Sagemcom's internal teams and its opening up to external individuals.

Patrick SEVIAN
Chairman



Michel BRUNET
General Manager,
Human Resources



Sylvaine COULEUR
Group Vice-President of
Communication and Projects



Thibault DECOUDUN
Group Vice-President
of Purchasing



Fanny Gaignon
Group Vice-President
of HR Development



Eric RIEUL
Managing Director,
Energy & Telecom



Olivier ROUVIERE
Group Vice-President
of Quality, Ethics & Risks



Ahmed SELMANI
Managing Director,
Broadband Solutions



Olivier TARAVEL
Managing Director,
Audio Video Solutions



Florian TREMBLAY
Group CSR Manager



6 Mission committee actions

The Sagemcom mission committee has held three formal meetings during its first year of existence. In 2022, the mission committee focused its attention on the practical implementation of this new status within the Group and on drawing up mission targets and all associated performance indicators.

Define the mission framework and 2022 time lines

February 2022

This first instructive mission committee meeting allowed all the mission committee members to express their expectations with regard to this status. From that moment, the committee members endorsed informing Sagemcom's internal stakeholders about this initiative as quickly as possible as well as its external stakeholders (banks, suppliers) in order to promote ownership of the subject and readily implement it. Additional subjects such as the choice of the Independent third-party organisation and the road map for the year were then discussed.

Definition of targets

September 2022

This session provided the opportunity to present all the statutory targets to the mission committee members in order to start thinking about the operational targets and the associated performance indicators. Each pillar was presented and resulted in discussions for setting the direction before the mission committee validated the chosen operational targets at the end of the year. Baker Tilly, an international audit and accounting firm, was also approved as an independent third-party organisation at this mission committee meeting.



The main objective of the 3rd mission committee meeting was to validate the principles and trajectories of the main indicators in view of the mock audit on 14 December 2022. The committee members reviewed and approved the various measures and criteria that were used to assess the mission's progress. The composition of the mission committee was debated and in particular the possibility of opening up the committee to external individuals.

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Presentation of Sagemcom mission t

**Supporting action in favour of the environment,
by considering the impact of our activities**



Statutory target

Supporting action in favour of the environment by taking account of the impact of our activities

Operational targets

Reach net zero (as defined by the STBi) in 2030 in our SCOPES 1 and 2 by reducing the impact of our sites.

Contribute to the ecological transition by taking part in concrete actions in our ecosystem.

Indicators

Sagemcom sites Scopes 1+2: Direct & indirect emissions Gas & Elec & Refrigerant + Fuel oil	Sagemcom site Scope 3: Waste & Water	Impact of transport (average impact per t.km)	External contributions (workshops, memberships, speeches, etc.)	% of our product portfolio that meets "Green product" criteria as defined by the EU
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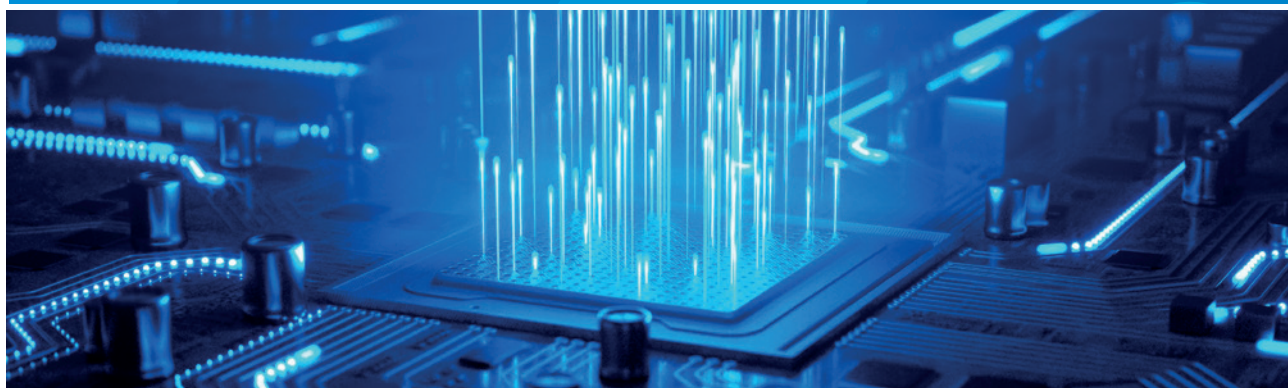
2022 starting point

8,455 tonnes Eq.CO2	1,716 tonnes	1.4 · 10 ⁻⁵ kg eCO2 / t.km	2	Evaluation launched in January 2023
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Target trajectory

47% reduction in our emissions in 2026	5 interventions/year by 2025	100% new products launched in 2030
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Enhancing innovation in our eco-design processes



Statutory target

Encouraging innovation in our eco-design processes

Operational targets

Reach net zero (as defined by the STBi) in our SCOPE 3 through innovation and the eco-design of our products and services

Develop innovative alternatives that use fewer controversial substances, and offer them to our customers

Indicators

Y1 : Compliance with voluntary consumption standards
Y2+: % better than standards

% of alternative materials purchased versus virgin materials (plastic and metal)

% of halogen-free components in the article base

Traceability of materials: article base covered by comprehensive materials declarations

2022 starting point

Evaluation launched in January 2023

2,782 tonnes of recycled plastic contributing to the Scope 3 reduction

Evaluation launched in January 2023

0%

Target trajectory

Scope 3: -31% in 2030, then net zero in 2040

50% of materials declarations and 50% of HF components available in 2025. 100% in 2030

7

Presentation of Sagemcom mission t

Purchasing policy based on five fundamental principles (quality, competitiveness, deadlines, innovation, and social and environmental ethics)



Statutory target

Pursuing a purchasing policy based on five fundamental principles (quality, competitive performance, deadlines, innovation and ethics)

Operational targets

Achieve a net zero supply chain by 2040 (as defined by the SBTi)

100% committed and responsible partners by 2030

Indicators

Percentage of Panel Suppliers with a 2040 low-carbon strategy

Percentage of Supplier responses on carbon scopes

Percentage of Supplier responses on impacts of components

Percentage of Production Suppliers committed by signing the ethics charter

Percentage of Audit Coverage per panel

Percentage of Responsible Suppliers (CSR A or B audits) vs Volume of audited Suppliers

Achieved in 2022

0%

0%

0%

89% of Spend coverage
31% Supplier Volume coverage

84% Coverage (15 audited Panels / 18 Critical Panels)

46% (37 A or B Suppliers / 80 audited Suppliers)

Target trajectory

0.25% End 2023
100% End 2025

0.25% End 2025
100% End 2026

0.25% End 2026
100% End 2027

100% Spend coverage End 2023

100% End 2023

100% in 2030

Targets

Promoting a working environment that helps to protect the health and safety of our employees



Statutory target

Promoting a working environment that helps to protect the health and safety of our employees

Operational targets

Provide health insurance cover for 100% of our employees, with majority funding by the company

Adopt the best practices in terms of the safety of our employees

Adopt the best practices to improve the quality of life at work for our employees

Indicators

Percentage of employees covered by health insurance

Percentage of employees covered by a safety action plan

Percentage of employees trained in safety on GIS perimeters

Percentage of employees covered by a quality of life at work action plan

Achieved in 2022

Approx. 80%
Group indicators set up from January 2023

Approx. 80%
Group indicators set up from January 2023

Preventive:
approx. 56%;
Regulatory:
approx. 74%;
global:
approx. 61%

Approx. 30%
Group indicators set up from January 2023

Target trajectory

100% of Sagemcom employees covered by the 3 performance indicators by 2025

2023: France; 2024: +SST and Europe;
2025: +STC and Brazil

7

Presentation of Sagemcom mission t

Helping our employees, valuing and encouraging every aspect of diversity



Statutory target

Supporting our employees, nurture and encourage every aspect of diversity

Operational targets

Promote professional development

Promote diversity and equal opportunities within a committed community

Indicators

Percentage of EIDP analysed and used

Gender equal pay

Number of solidarity and/or unifying events supported by the Group

Percentage of stakeholders involved in the recruitment process trained to "Recruit without discriminating" (France: managers/employees; International: managers)

Achieved in 2022

Percentage of EIDP completed in 2022 (Group): 87%

Scored 92% in France in 2022

12 events in 2022

Training launched in January 2023

Target trajectory

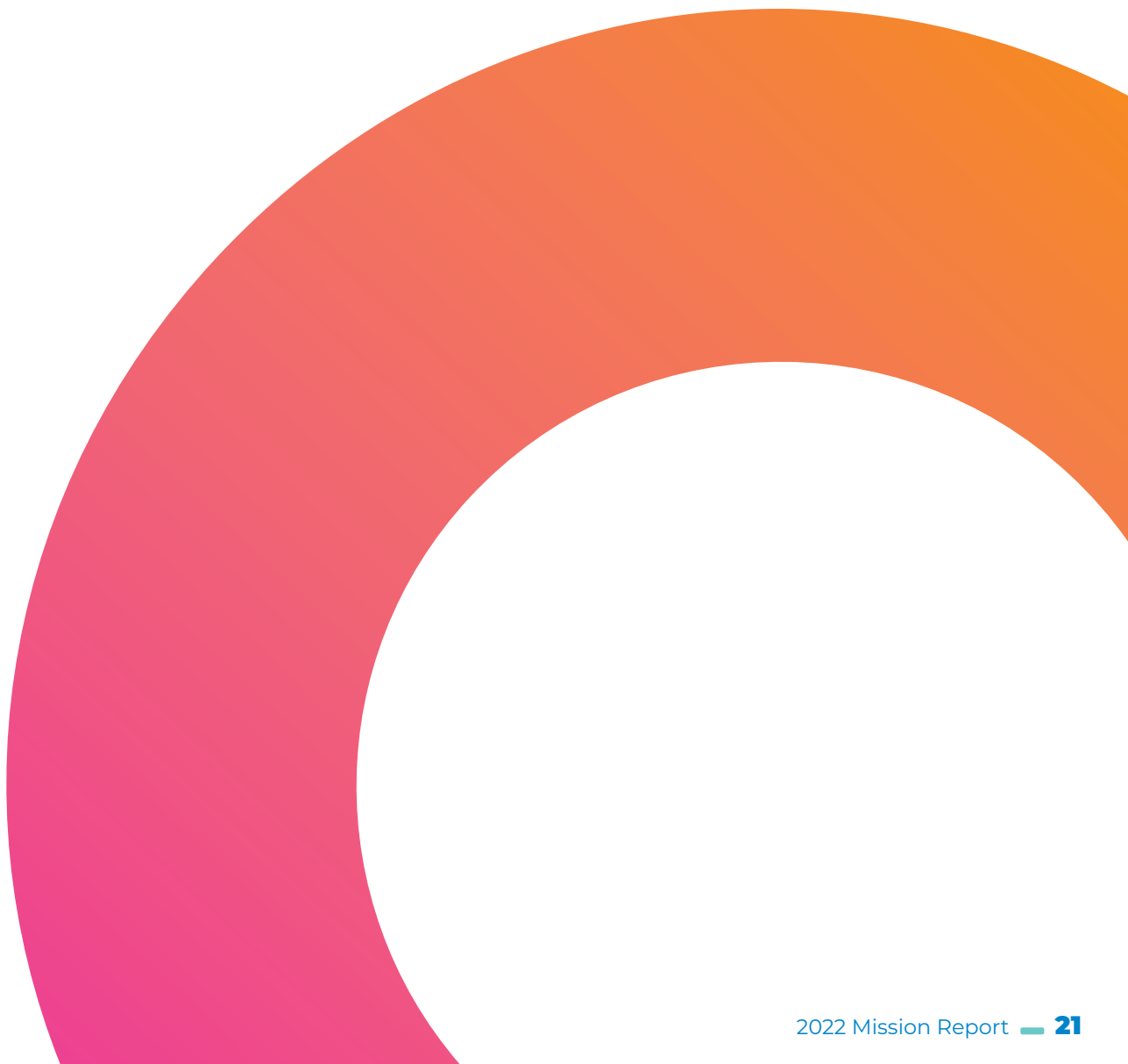
By 2025, 100% of EIDP analysed and used

On the "France" model of Indicator 1 of the Gender Equality Index: 2023: SST; 2024: China; 2025: STC

20 events/year by 2025

2023: 70% in France; 2024: 95% in France and 70% in SST; 2025: 100% France, 95% in SST and 70% in China

Targets



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Challenges and changes for 2023

The mission-driven company has made a promising start within Sagemcom in 2022. In this first year, the mission committee was dedicated to significant effort to defining the scope of the company's mission, which laid the foundation for our future actions, accurately identifying the key areas in which positive impact can be the most significant.

Sagemcom is taking its commitments as a mission-driven company even further in 2023, particularly through avenues for progress identified during the first year of implementation. These changes are centred on several priorities:

1. Finalising the road maps of the different pillars: In 2023, our focus will be on completing the road maps of each pillar of our mission-driven company.

2. Simplifying the wording of the targets: work will be done on changing the language of our targets, making them more accessible and understandable. Simplifying their wording will improve our ability to communicate effectively both internally and with our external partners.

3. Reconfiguring our mission committee: As part of our progress in 2023, we will reconfigure our mission committee, to move it away from the "management committee" configuration and thereby bring a renewed dynamic to our deliberations and lines of thought. This will improve our ability to generate innovative ideas, while continuing to govern effectively.



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