

CSR REPORT

YEAR 2021

EDITO

Founded in 1981 and driven by a team of over 500 colleagues whose high standards and professionalism are a source of collective successes, the SGT Group, a family business, is now the privileged partner of bottlers.

Proud of its know-how and values of commitment, responsibility and innovation that federate its teams, SGT makes it a point of honour to promote its **social responsibility approach** through:

- The quality of its products,
- The compliance with environmental and plastics regulations,
- The safety of its staff,
- The skills development of its employees,
- Its stronger economic competitiveness,
- And finally, enduring relationships forged with all its stakeholders (customers, partners, suppliers and staff).

« Mindful of the challenges our industry faces and intent on preparing for the future, we have decided to structure our commitments around a CSR policy in harmony with our values and ambitions. Our aim is to construct day after day an economy with less environmental impact and greater social impact. »



Frédéric MIGNOT, SGT Group Chairman

La Société Générale des Techniques	5	
About us A committed family business SGT France, in a few figures	5 5 5	
Our CSR approach	7	
The CSR steering committee Scope and reporting Managing the health crisis Communication	7 7 8 9	
Our CSR approach	11	
Preserve our planet General envionmental policy SGT's involvement in the circular economy Pollution and waste management Substainable use of resources for more virtuous packaging Climate change and our carbon footprint	13	
Supporting and valuing human beings Employment Work organization Industrial relations Health and safety Training Gender equality Promotion and observance of the fundamental conventions of the International Labour Organization concerning	22	
Building the future Promotion and observance of the Ethical Trade Initiative (ETI) Recognition and links with our stakeholders Our key performance indicators	28	

S

0



SOCIÉTÉ GÉNÉRALE Des techniques

ABOUT US

SGT (Société Générale des Techniques) specializes in the manufacture of PET and RPET preforms used to package fluids for human consumption (milk, water, juice, fizzy drinks, oil, vinegar, wine and spirits, cordials, sauces and condiments, yoghurt, etc.) and non-food fluids (household products, hygiene products, automotive fluids, etc.).

Thanks to specialized know-how and state-ofthe-art facilities, SGT has over the years become a major player on the plastics market.

At present, the Group has 6 production sites in France and Algeria, one of which is a plastics recycling plant called "SGR". This new unit, designed in an entirely totally environmentally responsible manner, comprises an extrusion line that is unprecedented in Europe, which produces premium quality recycled PET (rPET) from polyethylene terephthalate (PET) bottle waste.

The SGT Group currently employs over 500 people, who day by day partner bottlers in designing and producing their preforms and fulfilling their orders in record time.

A COMMITTED FAMILY BUSINESS

- Family business formed in 1981
- 3 sites in France and 3 in Algeria
- 3 "flagship products": preforms, caps and CIRPET
- Production capacities in 2021: 7 billion preforms and 2.8 billion caps per annum

SGT FRANCE, IN A FEW FIGURES

- Workforce in 2021: 170 employees.
- Preforms catalogue: over 260 listed products in PET and RPET, monolayer and multilayer
- Sales revenue in 2021: 152.7 million euros
- over 400 customers worldwide.



OUR CSR APPROACH

THE CSR STEERING COMMITTEE

In 2019, SGT decided to form a CSR steering committee comprising all the Group's expert functional managers, namely: the Chairman and CEO, the Director of Operations, the Director of R&D, the Marketing manager, the Recycling manager, the Admin, financial and HR manager and the Q-CSR manager. Employees who wished to participate have joined the projects.

This committee is responsible for steering the Group's CSR strategy, deploying it at all levels and heightening awareness among all colleagues.

SCOPE AND REPORTING

The Group's CSR strategy applies on the sites of Rezé (in Loire-Atlantique) and Chalon-sur-Saône (in Saône et Loire).

The CSR steering committee relies on local staff tasked with deploying the strategy, monitoring and coordinating on-site projects and reporting the results.



MANAGING THE HEALTH CRISIS

For our customers

When the health crisis started, SGT set up a crisis response unit that met every day to ensure staff protection and the continuity of our business.

A business continuity plan was drafted and published to ensure delivery of our customers' orders by the required date, primarily those in the so-called "priority" food-processing and hygiene sectors.



For our employees

GT was able to count on the full mobilization of its employees. Home-working was introduced for positions so permitting, like administrative and support positions.

Thanks to the commitment of staff and the solidarity of the teams, absenteeism was limited and constant productivity maintained.

A health protocol, notices regularly posted up and the introduction of personal protective measures enabled all the staff to work in a safe environment.

For our partners

Our logistics providers, resilient during the health crisis, helped maintain our output rates. To thank them, we made a point of improving their welcome on our sites (free hot drinks for several months, thank you messages displayed in several languages).



Thank you messages for the drivers.

For our students

Faced with this unprecedented health crisis context, we continued to take in students on work-study programmes and trainees in our organizations to enable them to continue their courses.

Thanks to the mobilization of all the teams, SGT was able to meet its commitments and deliver its customers' orders by the required date.



Training a trainee in the management audit service.

COMMUNICATION

As the health crisis imposed unprecedented social distancing, SGT's management made a point of keeping in touch and communicating with its teams, customers and partners.

In addition to the protective measures taken on our sites, we were also anxious to inform, reassure, encourage and above all thank all the teams who joined forces to contribute to the collective effort.

An in-house communication plan was rolled out in various formats: messages shown on TV screens, signage on floors and walls, distribution of a "health protocol" booklet and management memos e-mailed at regular intervals. At the height of the pandemic, the packaging sector was recognized as an "essential activity". SGT very naturally responded to the government's call by prioritizing its production to be able to deliver the orders of food-industry bottlers and the hygiene sector in record time.

In this respect, many customers sent us messages of encouragement and thanks, which were naturally greatly appreciated by SGT's teams.





OUR CSR STRATEGY

SGT promotes and respects the main international CSR standards, some of which are enshrined in the principles of the International Labour Organization's conventions or in the Ethical Trade Initiative. The Group abides by the following principles:

- 1. Promote and respect the protection of internationally proclaimed human rights
- 2. Ensure we are not complicit in human rights abuses
- 3. Respect the right to form trade unions and recognize the right to collective bargaining
- 4. Help eliminate all forms of discrimination in matters of employment
- 5. Contribute to the effective abolition of child labour
- 6. Help eliminate all forms of forced and compulsory labour
- 7. Adopt a precautionary approach to environmental challenges
- 8. Take initiatives to promote greater environmental responsibility
- 9. Encourage the development and spread of environmentally friendly technologies
- 10. Work to eliminate corruption in all its forms, including extortion and bribery

We contribute to 6 of the 17 sustainable development goals.



SDG 3 : Ensure healthy lives and promote well-being for all at all ages.



SDG 12 : Ensure sustainable consumption and production patterns.

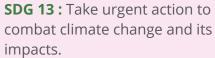


SDG 8 : Promote inclusive and sustainable economic growth, employment and decent work for all.



SDG 9 : Build resilient infrastructure, promote sustainable industrialization and foster innovation.







SDG 14 : Conserve and sustainably use the oceans, seas and marine resources.



SGT/SGR's CSR strategy is based on 3 major challenges, broken down into 6 strategic priorities.



Supporting and valuing the human being

- > Employee health and safety
- > Skills and human capital



Building the future

- > Innovation management
- > Performance improvement



Preserve our planet

- > Limiting our environmental impact
- > Circular economy development

PRESERVE OUR PLANET

General environment policy

ur company manufactures quality preforms that guarantee consumer safety and meet the regulatory requirements governing our industry segment.

We are aware of the environmental impact of our industry, which is why we abide by environmental laws as a company with facilities classified for environmental protection.

We wish to do even more:

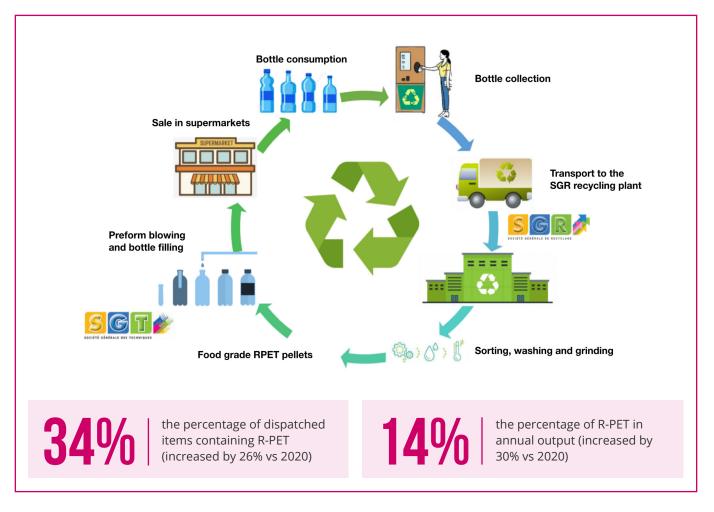
Every year we mobilize financial and material resources to reduce our environmental impact.

Through an in-house awareness campaign and training programme, our staff are fully informed and committed to reducing losses and the impact of our activity and those of our customers on nature.

Read our environmental policy on our web site:



SGT's involvement in the circular economy



Sustainable procurement

SGT is mindful of the consumption of the planet's resources and has for many years encouraged its customers to incorporate recycled PET (R-PET) into their products.

To further this approach and become a prime mover in the circular PET economy, in 2019 SGT Group Chair and CEO Frédéric Mignot decided to set up SGR, the group's own plastics recycling unit.

SGR: Société Générale de Recyclage based in Chalon-sur-Saône, is now up and running with a production capacity of 12,000 tonnes of R-PET per annum.



View of the SGT and SGR site at in Chalon-sur-Saône (71).

The recycled PET produced by SGR is called **CIRPET**, a combination of "CIRcular" and "RPET".



CIRPET pellets



Preforms and bottles made entirely with CIRPET

Ecodesign

At SGT we have been working on the sustainable design of our products for over 20 years: as a result, we have reduced the weight of our preforms by more than 30%. For instance, the group produces a 33 mm neck for certain applications to replace the heavier 38 mm neck.

The same principle applies to the large formats: our preforms for 20-litre carboys lost over 14% of their weight in one go.

Weight reduction concerns all sectors; the SGT group is currently studying an additional reduction of 2 grams in the weight of the 1-litre milk bottle.



5-gallon preforms and water containers 14% lighter than their initial weight.

« Reducing the weight of our preforms is a mainstay of our circular economy goals »

Gilles Bouguen, Responsable R&D du Groupe SGT



Waste paper collected by the **Papiers de l'Espoir** association from the Rezé site

Industrial symbiosis or industrial ans territorial ecology

SGT is a member of the environment club of the Chamber of Commerce and Industry of Nantes-Saint Nazaire and attends meetings devoted to exchanging the good practices of the region's manufacturers.

Through such exchanges, we have decided to pool waste collection to promote the recycling of waste while at the same time cutting its transport costs.

Since 2020, SGT has donated its waste paper to Les Papiers de l'Espoir, a humanitarian association located near its headquarters. Its members are active retired voluntary workers who fund educational projects in France and throughout the world thanks to the proceeds of the resale of paper for recycling.

Economy of functionality

At SGT we prioritize purchases that include provision of services. For instance, for the cleaning of mechanical components we hire a fountain with consumables supplied. The supplier replaces them and disposes of the waste.

We have also opted to hire a fleet of company cars rather than purchasing them.

Lastly we have entrusted the collection of waste household packaging to our cleaning contractor.

Efficient management of materials and end-of-life products

PET is the polymer that is most recoverable and collected, the easiest to recycle and thus to reuse in food packaging. It has been collected from yellow residential recycling bins or collection points for many years.



Responsable consumption

Whenever possible we re-use. The cardboard packaging containing our preforms is re-used as packaging up to 5 times. Some of our customers prefer metal boxes, which have a longer service life.



« In developing this plastic bottle collection service in order to re-use the bottles for manufacturing new preforms, SGT meets its commitment to recover and reuse PET »

Laurent Masingue, Responsable Recyclage - Groupe SGT

Initiatives with partners in favour of collection

In February 2021 SGT, in collaboration with retail chain E. Leclerc in Issoudun, installed a plastic bottle collection unit to heighten consumer awareness about bottles made of 100% recyclable PET.



Pollution and waste management

We work on a daily basis to reduce, better separate and recycle waste and scrap. We recycle 97% of the waste on our Rezé site, and we have cut by 6% the amount of waste generated per tonne of processed PET.

Organizing collection

We have done selective waste separation in the company for 2 years.

We have ascertained that all our staff are aware of the waste separation issue through an in-house information campaign consisting of posters, labels on waste bins and noticeboards in the communal areas.

We now have 6 types of bin for specific types of waste:

- Destic cup bins
- Deper bins
- Bins for rags and coffee pods
- **¹** Organic waste bins
- **¹** Cigarette-end bins
- 🗑 Bins for batteries

Avoiding the dispersal of microplastics

GT endorsed the commitments of the Clean Sweep campaign in 2016.

To that end, the company and its employees are totally committed to limiting the dispersal of pellets inside and outside the workshops.

We also participate in focus groups through unions or federations to share good practices.







SGT poster for heightening staff awareness.



Sustainable use of resources for more virtuous packaging

Reducing our power usage

Mindful of energy savings, we systematically replace our equipment with more energyefficient equipment:

At our Chalon-sur-Saône site, the injection presses installed in 2019 are state-of-theart. They combine technical and energy performance.

Reducing our water usage

SGT uses water in its cooling system. To reduce water consumption, the process uses a closed circuit.

Reducing our travel

Like many companies, the pandemic prompted us to review our working mode and organization. We have acquired videoconference equipment to reduce our trips between sites while retaining a visual link.

A responsible business trips charter has been drafted to reduce the carbon footprint of our trips and encourage greener modes of transport.

Climate change and our carbon footprint

We have drawn up an energy balance sheet to measure our carbon footprint at scope 2 level on the Rezé site.

Mindful of the current climate challenge, SGT has decided to take concrete measures to cut by 30% its Co2eq emissions by 2030.

We plan to measure our carbon footprint at scope 3 level more precisely in 2022. In this approach, IPC and EVEA assist us in drawing up our greenhouse gas emission balance sheets.



SUPPORTING AND VALUING HUMAN BEINGS

Employment

SGT develops and structures its workforce in such a way as to keep pace with its growth. For instance, it runs regular recruitment campaigns for both technical positions and for support functions.

Anxious to allow young people to learn a trade, every year SGT takes in young people on work placements, contracts of apprenticeship and professional training contracts. These earnand-learn periods also lead to permanent employment contracts at the end of the training. We have had partnerships with several schools for many years.

In addition to recruitment forums, in which we regularly take part, we also run communication campaigns aimed at the local population in the vicinity of our production sites.



Lycée Les Savarières and ICAM

In October 2021, we ran a poster campaign promoting our job offers on 120 Nantes buses.



SGT poster campaign on the buses of Nantes

Social security cover

SGT offers its employees social security cover. All employees benefit from insurance against the risk of occupational incapacity, disability and death. Furthermore, supplementary employee benefits insurance is co-funded 50% by the employee and 50% by SGT.

The employee benefits and medical insurance policies are monitored, and when they are significantly in profit, we urge our insurer to improve the terms and conditions of insurance and thereby cover our staff to best advantage.

Located on the outskirts of Nantes, SGT contributes to the cost of its staff's meals in the form of luncheon vouchers or meal allowances.

The company closely manages job and skills planning. This helps meet the steady growth of the company and more particularly make up for staff taking retirement, and also addresses the difficulty of winning the loyalty of production teams working 5 eight-hour shifts.

In this respect, SGT has been tackling the issue of transferring know-how for several years.

SGT also anticipates retirements by hiring new staff several months in advance whenever possible so as to ensure a sufficient overlap period.



Age pyramid as of December 31, 2021

Work organization

The preforms injection manufacturing process requires our industrial facilities to operate nonstop. A 5-week cycle for the production teams has therefore been worked out jointly with the occupational health officer and the employee representatives. It has been designed to reduce the physiological impacts of this alternating work pattern as much as possible.

Production is halted for 2 weeks at the end of the year to carry out preventive maintenance work and enable staff to make the most of the festive season.

As provided for by the agreement of 25 January 2001 that applies in the company, working time is fixed at 35 hours per week. The teams work 37.5 hours a week over 5 days. They get days off by way of compensation.

As the company has grown and the workshops extended, the staff rooms have been relocated to improve the fluidity of movements and the benefit of breaks. Now located in the centre of the workshops, the rest area features a large terrace and bright soundproofed canteen, thereby improving the quality of rest periods.

Industrial relations

The Business and Social Council (comité social et économique, mandatory in France for companies with over 50 employees) is the company's staff representative body. It asserts employees' interests in decisions concerning the company's management and economic and financial development. Employee representatives can thus express their observations and make their contributions to projects.

The Business and Social Council and SGT's management meet at regular intervals. Minutes of such meetings are published.

In other respects, daily briefings between the production teams and related departments are also organized to share information and deploy jointly constructed action plans.

Health and safety

SGT involves its teams at all levels to coordinate safety and improve working conditions.

A focus group, whose members are the representatives of the Health, Safety & Working Conditions Committee, the QHSE service, the QRSE service and the HR department, convenes every week to assess hazards and propose improvement measures.

SGT allocates resources to manage safety. The QHSE service has 11 staff.

Each new project is conceived to improve what already exists, more particularly jobs involving arduous postures or high-risk actions. SGT's Châlon site has been designed entirely on the basis of the strong points of the Rezé plant, by automating the most restrictive and accidentprone actions.

For example, the box preparation and closing line, which is fully automated on SGT's Chalonsur-Saône site.

35%

of our workforce (58 employees) had medical examinations in 2021.



Automated box packing and closing system on SGT's Chalon-sur-Saône site.

Training

SGT's HR policy encourages internal transfers. A veritable vector of motivation and team loyalty development, many staff are promoted to new positions every year. These promotions go hand in hand with internal and external training on the requisite skills to help staff feel fulfilled in their new jobs.

The company went further in 2020 the 2021, offering voluntary team leaders support in working towards a **vocational qualification certificate**.

This programme, both individual and collective, is a genuine recognition of acquired skills, validating an RNCP certificate (the RNCP is a French directory of vocational certificates).

All new staff joining SGT benefit from an induction process that gives them all the information and tools they need for their job. They absorb the company's culture and history, sharing with its various different services. They thus have an overview of the company's functions and of their own contribution.

In production, injection operators follow a dedicated in-house training programme; 14 days are devoted to the specific quality course.

To harmonize the skills of the field teams and upskill our production staff in technical and regulatory terms, a team leader was temporarily assigned to the post of training instructor for 4 months in 2021.

Gender equality

SGT is determined to work in favour of gender equality within its teams. In 2020, it obtained the equivalent of a mark of 85/100 for its equal pay index. Management undertakes to continue taking initiatives that improve gender equality in terms of pay, career development, work/life balance and working conditions.

SGT employs 7 persons officially recognized as disabled workers.



Furthermore, SGT has for many years been in partnership with SAPRENA, an inclusive company that combines economic performance and social richness. Eager to enduringly on-board staff with disabilities, this partnership has gone further, hiring on a permanent employment contract a member of staff who followed this on-boarding process since 2013.

34%

of our workforce (59 employees) benefited from training, the average duration of which was 14 hours in 2021.

Promotion and observance of the fundamental conventions of the international labour organization concerning

SGT fully subscribes to the principles of the ILO charter and strives on a daily basis to apply them in all the Group's undertakings through:

- due observance of the right of association and the right to collective bargaining
- elimination of all forms of discrimination in matters of employment and professions
- elimination of forced or compulsory labour
- effective abolition of child labour
- promotion of diversity and absence of discrimination and harassment
- introduction of an ethical whistleblowing system



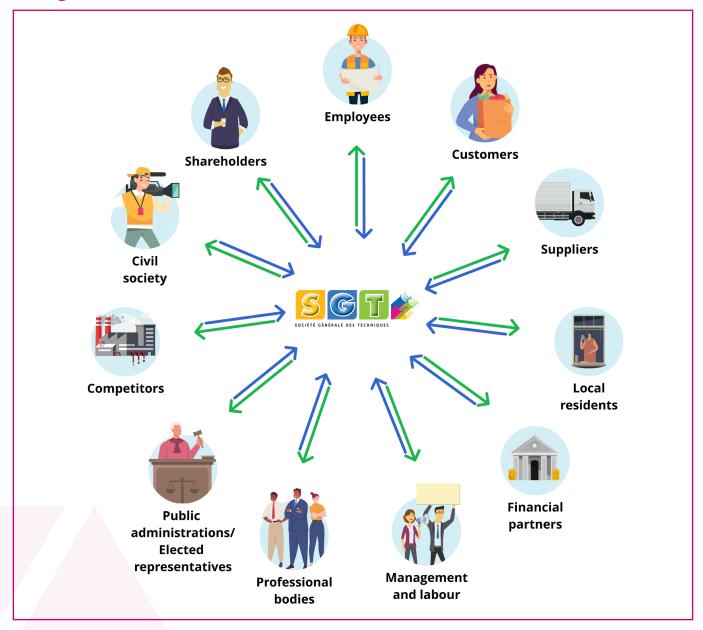
BUILDING THE FUTURE

Promotion and observance of the ethical trade initiative (ETI)

SGT promotes and observes the ETI base code:

- 1. Employment is freely chosen
- 2. Freedom of association and the right to collective bargaining are respected
- 3. Working conditions are safe and hygienic
- 4. Child labour shall not be used
- 5. Living wages are paid
- 6. Working hours are not excessive
- 7. No discrimination is practised
- 8. Regular employment is provided
- 9. No harsh or inhumane treatment is allowed

Recognition and links with our stakeholders



Partnership with our customers

In line with our commitments to sustainable development, SGT takes pride in partnering its customers in their environmentally responsible processes. Just like BONNEVAL Waters, who have decided to package their natural mineral water in 100% rPET bottles.

Their bottles, produced exclusively with SGT preforms, are both attractive and environmentally friendly, thereby reflecting the circular economy ambitions of BONNEVAL Waters.

After use, their bottles are 100% recyclable and follow a virtuous "bottle-to-bottle" circuit.



Bonneval® photo

The local population

SGT is actively involved in regional employment and development, both at Rezé and at Chalonsur-Saône. It currently employs 170 workers on those 2 sites and plans to hire more staff in the coming months to keep pace with its growth.

We also use the services of local contractors and suppliers wherever possible. We are guided by principles consistent with our ethical, social and environmental responsibility. To ensure that our suppliers abide by our values and requirements regarding sustainable purchases, we ask them to sign up to our **sustainable procurement charter**. We expect our suppliers to respect the rights of their employees and to treat them with dignity and respect. We specifically ask them not to engage in forced labour, child slavery or child labour. Suppliers are required to ensure that their employees and all their subcontractors and direct and indirect agents know and subscribe to these principles. If suppliers do not apply the principles of our code of conduct, appropriate measures will be taken.

We also conduct external audits to ascertain their commitment to quality, safety, the environment and CSR.

Fair practices

SGT attaches great importance to relations with its business partners. It demands:

- respect for the confidentiality of information,
- respect for the rules of free competition,
- rejection of all forms of de corruption,
- respect for commercial agreements.

Its accounts are published and certified by statutory auditors.

In 2020 the company introduced an ethical whisteblowing procedure to enable each stakeholder to raise an alert. Our code of conduct covers all the ethical values upheld by the company.

32%

of our suppliers are located in the Pays de la Loire region.



Partnership and sponsorship



Sourire un jour : 121 children operated on

For 3 years now, SGT has sponsored the Sourire Un Jour NGO, chaired by plastic surgeon Dr Ali Bourji, who organizes humanitarian missions in Ivory Coast to come to the assistance of patients suffering from noma.

This disease, caused by malnutrition, is a form of gangrene that affects face tissue. Most people suffering from noma are social outcasts and lead the life of a recluse, whereas treatments exist.

Partner of the Abidjan-based association, SGT backed the latest mission, which operated on 41 patients, including 13 children.

« Our engagement alongside the Sourire Un Jour association was obvious. Thanks to our support and that of other sponsors, tens of children have operations every year. Nothing is better than restoring the smile of a child. SGT has engaged in this for 3 years now. »

Lilia Jolly, Responsable Communication - Groupe SGT



ASSOCIATION HUMANITAIRE D'INTÉRÊT GÉNÉRAL

SGT has sponsored the local association Papiers de l'Espoir for 2 years.

Formed in 2004, it collects waste paper from businesses and sells it on to recycling companies.

The proceeds of its sales are used to fund humanitarian and educational projects. For instance, one tonne of paper funds about twenty schoolbooks.

The association also aims to heighten awareness about environmentally-friendly gestures to preserve the planet: **Collecting paper rather than throwing it away.** Collecting waste paper saves water and energy resources; each tonne of collected paper saves an average of 200 cubic metres of water and over 250 litres of oil.

The association makes a distinction between several categories of paper. White paper with writing has the highest market value. Then come newspaper, advertising material and magazines.



SGT has been a partner of *La Cité de l'Espace*, the space theme park in Toulouse, since 2015. We regularly deliver boxes of preforms and caps, which are used during public experiments. In exchange, *La Cité de l'Espace* gives us entrance tickets.

The tickets are used by our employees and by local associations like *Les Apprentis d'Auteuil de l'Ouest*, a foundation engaged in prevention and

the protection of children, which every year takes in hundreds of children with schooling, social or family difficulties.

Thanks to this partner, SGT enabled forty or so children from the foundation to visit this theme park in Toulouse.



Pazennais Basketball Club women's team

Sports associations

SGT has sponsored the activities and passions of its employees for several years, through an in-house sponsoring programme.

En 2021, due to the pandemic, we were unable to sponsor employees, as many sporting events were cancelled.

In general we partner our sportsmen and sportswomen by meeting the cost of enrolment fees for races and events (like marathons, the 4L Trophy, etc.) and/or by supplying appropriate and SGT-branded sportswear.



Vertou handball club jersey

« We are mindful of the well-being of our employees, which is why we encourage all collaborative sporting activities that let them share values like the taste for effort, challenges and surpassing oneself. »

Marie-Gabrielle Lamoureux, Responsable RSE - Groupe SGT













Our key performance indicators

To guarantee the safety of the products we market, we have passed the most stringent and recognized certifications in our industry segment:



Food Safety System Certification 22000 is an international standard applying to the food-processing and packaging sectors, recognized by the GFSI (Global Food Safety Initiative).

This standard combines the following requirements:

- ISO 22000 and ISO 22002 for the foodprocessing industry
- SO 22002-4 for packaging.



Aln order to assess our CSR performance and with a view to constantly improving ourselves, we have signed up to the **ECOVADIS CSR** assessment platform.

We were awarded the silver medal for the second year running.



Supplier Ethical Data Exchange is a not-forprofit organization that encourages ethical and responsible practices in global supply chains.

The SMETA audit is based on the ETI code (Ethical Trading Initiative, a code of conduct based on the ILO's international conventions).



In 2019 we were awarded the **MORE** (MObilised for REcycling) label.

This European quality label, awarded by Polyvia, is a veritable recognition of the investments and efforts made by the group for several years in favour of the circular economy.

This now manifests itself in a constantly increasing percentage of recycled PET incorporated into the production of preforms.

« We are proud to have been awarded this distinction for the third year running, which testifies to our commitments made through our "3 R" action programme (Reduce, Recycle and Re-use), driven by our SGT and SGR teams »

Frédéric Mignot, Président du Groupe SGT





CSR REPORT YEAR 2021