



Shaking up water

SUSTAINABILITY REPORT 2022/2023



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SUSTAINABILITY HIGHLIGHTS

Within the SFA Group

we have the ambition to reduce our environmental footprint and that of the world around us that we scale

TOTAL CARBON EMISSIONS**

171

ktCO₂e

IN 2022, WITH THE AMBITION TO REDUCE BY 5X% BY 2030



SCOPE 1

2.4

ktCO₂e

SCOPE 2

1.4

ktCO₂e

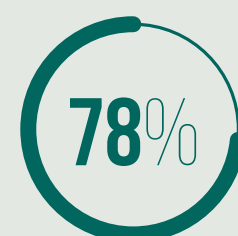
SCOPE 3

167

ktCO₂e

ENSURING RESPECT AND DIGNITY

TRAINING INITIATIVES



OF EMPLOYEES TRAINED ON DISCRIMINATION, HARASSMENT, DIVERSITY AND INCLUSION WITH THE AMBITION TO INCREASE TO 95% IN 2024

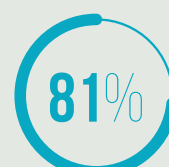


OF ETHICS COMMITTEE MEMBERS HAVE RECEIVED ANTI-CORRUPTION TRAINING

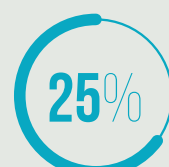
SECURING A GREAT, FLEXIBLE AND SAFE WORKPLACE



TF1 LOST TIME INJURY FREQUENCY



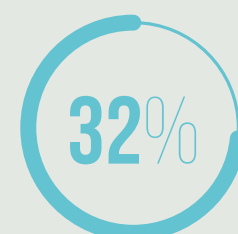
OF EMPLOYEES ARE PROUD TO WORK FOR SFA GROUP**



OF WOMEN EMPLOYED IN RELATION TO THE WHOLE ORGANISATION

SUSTAINABLE PROCUREMENT

COOPERATION WITH SUSTAINABLE SUPPLIERS



OF SUPPLIERS SIGNED THE SCOC AS PER 31 OCTOBER 2023 WITH AIM TO INCREASE TO 80% BY 2024



OF SUPPLIERS SCORED BY EXTERNAL PARTNER IN 2022 AND AIM TO INCREASE TO 60% BY 2030

LETTER FROM THE CEO

I would like to take this opportunity to emphasize the fundamental importance of sustainable development for the SFA Group and our strategic aspirations. In a rapidly changing world characterized by complex challenges, we as a company are facing up to our responsibilities and actively working towards a more sustainable future.

Our vision of sustainable business development that focuses on the needs of people and the environment guides our actions. Our goal is to create value, not only for our customers and employees, but also for the society in which we live. We are aware of our social responsibility as a corporate citizen and take this responsibility seriously in all our business areas.

Our unwavering commitment to sustainable practices is essential to our business success. This includes delivering exceptional products, maintaining transparent and reliable partnerships with our customers, employees and suppliers, and creating an inspiring work environment for our team while minimizing our environmental footprint.

With over 65 years of tradition in manufacturing sanitary solutions, SFA Group combines tradition with inventiveness to maintain stability while embracing change. Faced with pressing challenges such as climate change, demographic transition and social inequality, our focus on environmental, social and governance (ESG) dimensions has sharpened to reflect the urgency of the times.

We recognize that achieving our ambitious sustainability strategy will require a joint effort. Therefore, we are committed to working closely with our customers, suppliers, managers, employees and all stakeholders to bring about positive change.



Our vision of sustainable business development that focuses on the needs of people and the environment guides our actions. Our goal is to create value, not only for our customers and employees, but also for the society in which we live.

Our commitment to the ten principles of the United Nations Global Compact remains steadfast and provides the ethical compass for our sustainable actions.

Sustainability is more than an obligation for us, it is an opportunity. We will continue to use our ingenuity to develop innovative solutions that enable a sustainable future and ensure that the SFA Group remains viable for generations to come.

I cordially invite you all to read our Sustainability Report 2022/2023 and join us on our sustainability journey. Your support and interest are invaluable to us.

Yours sincerely,

Arnaud **CORBIER**
CEO, SFA Group



*Result of a survey conducted in 2023

**End of life and use of products excluded in 2022 emissions

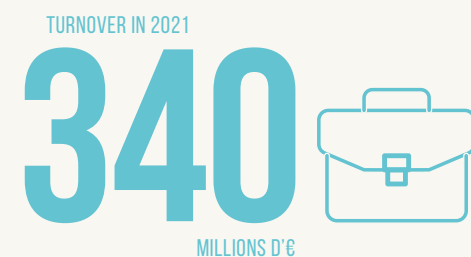
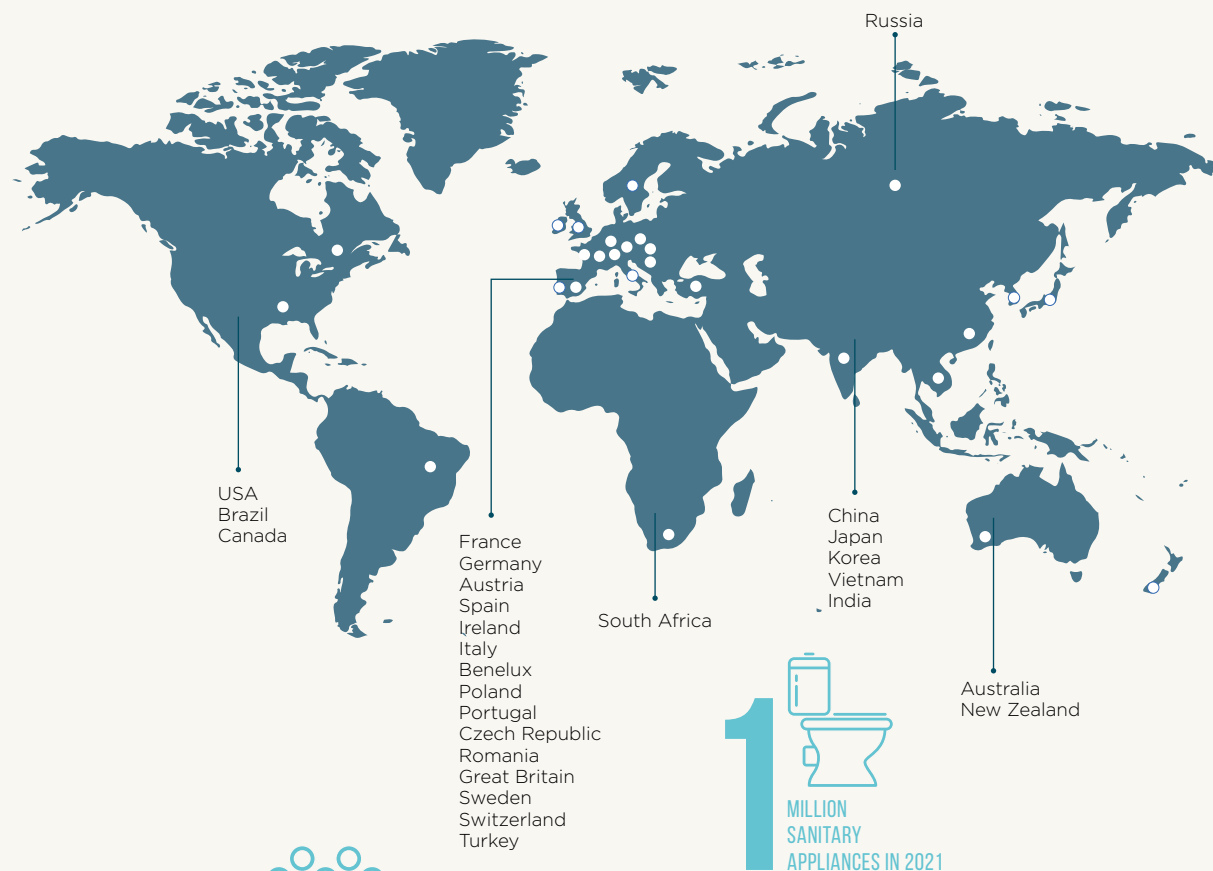


1. **THE SFA GROUP**

INVENTIVENESS FOR COMFORT, SIMPLICITY AND PEOPLE & PLANET

Every day, we, the companies of the SFA Group, work to offer professional and private customers an increasingly higher level of sanitary comfort in their everyday lives. We offer not only technological expertise, but also inventive, reliable and easy-to-implement solutions.

A WORLDWIDE PRESENCE WHICH HAS BUILT THE REPUTATION OF THE GROUP



WHO WE ARE

INFORMATION

The SFA Group is not just an industrial company, but a dynamic force that is constantly evolving. With a clear mission and a compelling vision, SFA has positioned itself as a world leader in the design and manufacture of residential and professional solutions wherever water flows.

Mission statement/our purpose

At the core of our existence is our unwavering mission: to design and manufacture innovative solutions that improve people's lives at home and at work and ensure seamless interaction with water-related systems.

Our vision and ambition

Based on our extensive industrial and design expertise in pump and bathroom solutions, we strive to create a unique culture of well-being in diverse markets. Our vision goes beyond mere products; it embraces an ethos of improving the quality of life.

Our positioning

SFA Group is a globally operating company, offering comprehensive and inventive solutions that are both practical and modular. We are dedicated to delivering exceptional quality at competitive prices and cementing our reputation as a solutions provider with unmatched value for money.

Our personality

Our corporate identity is a testament to our commitment to the present and the future. With strong French roots, we place great emphasis on corporate social responsibility and align our activities with ethical values. Our company is distinguished by its acumen, curiosity and inspiring approach. Behind our modest appearance lies a wealth of capabilities and ambitious undertakings. As we expand into more technical and specialized areas, our popular flagship products serve as the foundation upon which our enduring image is built, growing stronger with each foray into new territories.



GLOBAL CONTEXT AND CURRENT MARKET TRENDS

The global context in which we operate is marked by recent exceptional shocks and the convergence of two accelerating challenges. **These factors are reshaping the landscape in which businesses and organizations must navigate.** Let's delve into these elements:

EXCEPTIONAL SHOCKS

Secular pandemic:

The world has been grappling with the enduring impact of a global pandemic. This pandemic has tested the resilience of societies, healthcare systems, and economies, necessitating adaptability and innovative solutions.

War on Europe's doorstep:

Geopolitical tensions and conflicts, particularly in regions proximate to Europe, have raised concerns and uncertainties that have rippled through various sectors.

Inflationary surge:

The surge in inflation, not witnessed in decades, has brought about economic challenges, affecting pricing dynamics, consumer behaviour, and financial planning.

ACCELERATING CHALLENGES:

Rising temperatures:

Climate change poses multifaceted and concerning repercussions, including rising sea levels, more frequent extreme weather events, loss of biodiversity, and impacts on agriculture. The imperative here is clear: we must take action to reduce greenhouse gas emissions to curb this phenomenon and mitigate its far-reaching effects.

Demographic transition:

OECD countries are undergoing a profound demographic shift characterized by an aging population. This shift carries several consequences.

- i. Increased pressure on healthcare systems: The aging demographic places greater demands on healthcare and elderly care systems, necessitating adaptations and innovations to meet these needs effectively.
- ii. Potential workforce reduction: There is a potential reduction in the available workforce due to demographic changes, which could have implications for economic growth and labour markets.
- iii. Urban planning and infrastructure: Addressing the needs of senior citizens becomes paramount, requiring a re-evaluation and adjustment of urban planning and infrastructure to create age-friendly environments.

These two challenges, while distinct, are intricately interconnected with broader global issues. As we navigate this complex landscape, it is imperative that businesses and organizations not only respond to the immediate shocks but also adopt a strategic perspective that acknowledges the interplay between these challenges and their broader implications. In doing so, we can position ourselves to thrive amidst uncertainty and contribute positively to addressing these global concerns.

One key indicator is the global economic outlook, as highlighted in the OECD's September 2023 interim report. The world economy is expected to grow by 3.0% in 2023, before slowing down to 2.7% in 2024, signifying a persistently weak global growth trajectory. Notably, a disproportionate share of global growth during 2023-24 is anticipated to originate from Asia, even in the face of a weaker-than-expected recovery in China.

This projection underscores the importance of strategic planning in response to interconnected global challenges, as outlined in the report.

SANITARY MARKET:

In the sanitary market, several notable trends are shaping the landscape:

Concentration and omnichannel impact:

A significant trend affecting all stakeholders is the concentration of market power and the growing influence of omnichannel distribution. This shift is disrupting the traditional balance in many markets, influencing consumer behaviours and reshaping the competitive landscape.

Focus on price:

Competitiveness has emerged as a key feature for success in 2024. Customers are placing greater emphasis on affordability and value for money when making purchasing decisions. Companies that can offer competitive pricing while maintaining quality are likely to thrive.

Major Risks

Despite these trends, the sanitary market faces several substantial risks:

Real estate under threat:

There is a looming risk of a real estate crisis, the scale of which is seen only once or twice a century. This could result in a sharp reduction in real estate investments by companies. The risk is particularly pronounced in China, where the real estate sector faces challenges that could have global repercussions.

Concentration and omnichannel disruption:

While concentration and omnichannel distribution are trends, they also pose significant risks by upsetting the traditional market balance. This disruption can lead to increased competition, pricing pressures, and challenges for both established and emerging players.

Fiscal tightening:

Fiscal policy is expected to become more restrictive in the aftermath of extensive government spending to combat the effects of lockdowns and rising inflation. This tightening of fiscal policy could impact consumer spending and investment decisions.

Geopolitical instability:

Geopolitical factors add another layer of risk, including falling prices and ongoing supply tensions. The energy sector is particularly susceptible to geopolitical instability, with potential ramifications for global energy supplies, especially during the winter months.

Price sensitivity:

Price sensitivity is a significant concern for businesses in 2024. Given the evolving economic landscape and consumer preferences, companies must carefully manage their pricing strategies to remain competitive and meet customer demands.

WATER TREATMENT MARKET:

The global water resources are facing a severe threat due to the discharge of untreated effluent into water bodies. This practice has led to significant challenges, including threats to human health, environmental degradation, and climate-related issues. Approximately 80% of all wastewaters is currently discharged into the world's waterways, exacerbating these problems. However, there is a crucial opportunity to address these challenges by recovering valuable resources from wastewater, including water, energy, nutrients, and other precious materials.

Several factors contribute to the worsening pollution of water bodies:

- **Rapid industrialization:** The rapid industrialization of many regions, coupled with population growth, has doubled the pollution of water. Industrial processes often generate wastewater that is improperly treated or disposed of.
- **Limited access to safe drinking water:** The unavailability of safe drinking water in various parts of the world is a pressing concern. Contaminated water sources pose a significant risk to public health.
- **Inefficient water and wastewater treatment systems:** Many regions lack efficient water and wastewater treatment systems, making it difficult to manage and treat wastewater effectively.

Given this critical situation, there is an urgent need for global awareness and action. It is essential to understand the immediate and long-term impacts of water pollution on both current and future generations.

Water management is becoming increasingly challenging due to several factors:

- **Population pressure:** The world's growing population puts immense pressure on available water resources.
- **Industrial growth:** Industrial expansion continues to strain water resources as industries require substantial water for their processes.
- **Agricultural needs:** Agriculture is a significant consumer of water, and meeting the demands of this sector in the face of water scarcity is a complex challenge.

To address these issues, the implementation of advanced water treatment techniques and increased awareness are crucial steps. Stringent government regulations and the positive commitment of Fortune companies worldwide are providing scalable opportunities in the wastewater market.

OUR STRATEGY

CURRENT POSITIONING

As we move into the future, the SFA Group wants to consolidate its position as a central force in the water sector. At the heart of this endeavour is the unwavering recognition of our leading SFA brand, which is due to the outstanding quality of our production, pre-sales and after-sales services.

By strategically linking our brands KINEDO, SFA, ZEHNDER PUMPEN in the sanitary sector and EUROPELEC, AQUASYSTEMES and AQUATURBO in the wastewater sector, we are actively playing the role of water influencer. Our commitment extends to increasingly networked markets that fit seamlessly into the omnichannel nature and internationalisation of our clientele.

In response to this evolving dynamic, we have implemented a comprehensive strategy, both internally and externally, characterised by the following points:

1. Strategic partnerships with major European and global customers.
2. European-centred approach to strengthen the Kinedo brand.
3. Interaction between subsidiaries for the development of our lifting stations.

STRATEGIC OBJECTIVES

After 3 years, 2020 - 2022, in which the focus was on product availability, i.e. our ability to produce and deliver to our customers - a context which prompted us to accelerate our strategy of investing in our plants' production tools, 2023 marks a break and our 2024 strategy will focus on revitalizing our offering to offset the slowdown in demand and reinforce the strength of our brands.

4 MAJOR PILLARS:

1. **DEVELOPMENT:** Increased offer through the development of new SFA Group entities and the relaunch of our advertising campaigns in several markets to consolidate brand awareness and protect our market share (particularly in the French market).
2. **INVENTIVENESS:** Offering ever more solutions for each of our markets, in line with our core value.
3. **ADAPTABILITY:** Adapt our organizational structure to align with specific market needs.
4. **CSR:** Accelerating the implementation of our CSR roadmap.

OUR STRENGTHS AND OPPORTUNITIES AT A GLANCE:

OUR STRENGTHS:

Our strength as a global player in the water sector stems from several distinctive qualities that underscore our position in the industry. These key attributes define our competitive advantage and reinforce our global presence:

Strong brand presence:

- Our powerful brands KINEDO, SFA, and SFA ENVIRO establish a global footprint and strengthen our position within the industry.

Financial stability:

- Supported by robust capabilities and a transparent management structure with a single shareholder, we maintain financial stability and have access to significant investment opportunities.

Global market diversity:

- With a diverse market presence worldwide, we effectively capitalize on global opportunities and strategically tackle challenges as a global group.

Dedicated and experienced workforce:

- The SFA GROUP boasts dedicated and experienced employees who take pride in being part of our team. A remarkable 47% of them have been with the company for over ten years, signifying their commitment.

Inventiveness as a core value:

- Inventiveness is not merely a skill but a fundamental value within our organization. Our agility allows us to adapt flexibly to market changes and social developments, granting us a distinct competitive edge.

OPPORTUNITIES:

Considering the opportunities available, there are various possibilities for exploration and development in our business areas. The following opportunities stand out prominently:

Water treatment opportunities:

- SFA Enviro's expansion in the area of wastewater pre-treatment and treatment is very promising in view of the increasing water consumption worldwide.
- As only 0.3% of wastewater is currently reused, there is enormous untapped potential in this sector.

Addressing demographic shifts:

- As a pioneer of innovative solutions, Kinedo is enabling people to stay in their homes for longer, taking demographic change into account.

Expanding into Asian markets:

- The growing importance of Asian markets, particularly in India and other rapidly developing Asian economies, offers lucrative prospects for international expansion.

Strategic supplier diversification:

- Diversifying and securing suppliers from different regions mitigates the risks associated with dependence on specific territories or high-risk regions.

Embracing environmental standards:

- Leveraging new environmental standards protects the European market from anti-environmental competition and promotes sustainable business practices.





FOUR PILLARS GUIDING
OUR STRATEGIC ENDEAVORS

KEY INITIATIVES

- A Development:**
- Conduct location analysis for new branches worldwide,
 - Opening of new subsidiaries in Vietnam, India and Korea,
 - Considering mergers, acquisitions, or partnerships,
 - Opening of new activities in plastics sector.
- B Inventiveness:**
- Sanitary pumps: acoustic improvement for compact range,
 - Showers: development of extra flat composite shower trays, new roto-moulded SPA and designed wall panels,
 - Professional pumps: development of new radar detection system using electromagnetic waves,
 - Water treatment: portfolio extension with pre-treatment.
- C Adaptability:**
- Adapting the organisational structure to local markets by creating dedicated zones for Southeast Asia and Americas,
 - Provision of training and development for staff,
 - Relaunch of Marine Business by hiring of Marin Range Manager to further develop the market.
- D Corporate social responsibility:**
- Reviewing of our values to get closer to who we are,
 - Calculation of our carbon footprint and setting of reduction targets,
 - A strong commitment to health, safety and quality of life at work within the SFA Group,
 - Improving our external ratings, which gives us legitimacy and proves our responsible commitment to our stakeholders.

MEASUREMENT AND PERFORMANCE
INDICATORS

Measuring means communicating:

Also, a major development for 2024 is the introduction of indicators and performance monitoring at Group level. This is intended to standardize our practices and support the deployment of our key initiatives.

It is essential for Group management to be able to monitor our many ambitious roadmaps to ensure their success.

To this end, we have carried out:

- Our 1st internal survey of our production sites and headquarters, to be repeated in 2025 with the inclusion of all SFA subsidiaries worldwide.
- Calculation of our carbon footprint at Group level.
- Reporting of annual indicators common to all Group entities on the following themes: safety, environment, social.

For 2024, we will be setting specific CSR objectives for each entity.

RISKS

Major risk in the sanitation sector:

The primary risk faced by the sanitation sector pertains to the global real estate market. A potential downturn in this market, coupled with downward price pressures, could significantly impact our profitability. It is crucial that we remain vigilant and adaptable to navigate such challenges effectively.

Main internal risk for the sanitation market:

Within the sanitation market, our primary risk is internal and centres on our capacity to meet increasing demand. To address this risk, we must prioritize the enhancement of our production tools and processes. Streamlining our operations and boosting production efficiency will be pivotal in mitigating this internal risk.

CONCLUSION
IMPLEMENTATION
OF OUR 2024 STRATEGY:

The question arises:
Can we successfully execute all the components of our 2024 strategy? Undoubtedly, the journey ahead presents a multitude of risks, some of which could have a substantial impact, as outlined before. However, we are fortunate to have a steadfast shareholder who, for the past 65 years, has consistently invested in our growth, irrespective of the turbulence encountered. This long-term commitment positions us well to face the challenges and uncertainties of the future.

OUR ACTIVITIES IN HARMONY WITH SUSTAINABILITY

At SFA Group, sustainability and responsible practices are deeply ingrained in our corporate identity. **We take pride not only in developing inventive products but also in ensuring that they meet the needs of both society and the planet.** Our business operates across four main areas, and in each of them we leverage the power of inventiveness to drive a sustainable strategy that has a positive impact on our world.



Sanitary pumps and macerator pump units for home use

At SFA Group, we have earned our reputation on the foundation of a brilliant idea and exceptional technical and industrial expertise, which has empowered individuals to redesign their homes for over 65 years. Our domestic pumps and macerator pump units are at the heart of this transformation, providing the freedom to install toilets, shower rooms, or kitchens anywhere in the house with efficient, economical, and easy-to-install equipment.

Our pump units have been setting industry standards since their inception, a testament to our continuous commitment to research and development. These units offer unparalleled performance, addressing key elements such as noise level, accessibility, design, and consumption.

In addition to our range of quality products, we are dedicated to providing day-to-day support to professionals in the field. We understand the importance of identifying needs, choosing the right solution, and learning how to implement it. To facilitate this, we have developed a suite of digital tools and resources that streamline the work of our partners, ultimately enhancing profitability and efficiency.

2

Professional pumps and lifting stations

Our pumps and pumping stations business represents a strategic mix of internal and external growth and strengthens our global market position. This ambition reflects our commitment to retaining and developing knowledge and talent within our organization.

This approach, rooted in our values, has led to the formation of a coherent, high-performing and stable unit capable of unlocking the Group's enormous growth potential. The acquisition in 2019 of Zehnder Pumpen, an influential German company operating in over 70 countries, is a testament to our commitment to innovation, robustness and performance.

The integration of Zehnder Pumpen's technology, which complements our existing product range, allows us to cover a wide range of requirements, including pumps, degreasing equipment and both above and below ground pumping stations.

Our production site in Grünhain-Beierfeld, Saxony, Germany, follows the same principles of integrated production as our French plants. Here, the entire Zehnder Pumpen range, including electric motors, housings, thermoplastic containers and electric cables, is developed and manufactured exclusively from high-quality materials and components.



4

Water treatment

Our commitment to sustainability extends to wastewater treatment through our SFA Enviro Division. With over six decades of experience, we've developed innovative industrial solutions that meet rigorous performance and sustainability standards.

Our engineers and technicians use cutting-edge tools to design and validate our solutions, ensuring they exceed industry standards. We maintain our test ponds to rigorously evaluate aeration equipment, adhering to the NF EN 12255 quality standard.

Approximately 80% of our solutions are customized to meet specific customer needs. We provide end-to-end support, from technical advice to maintenance, building trust through open dialogue with our customers.

Our global production facilities in France, Belgium, and the USA enable us to offer high-quality, low-maintenance solutions.

Sustainability and responsibility are at the core of our actions, driving us to develop innovative wastewater treatment solutions that make a positive impact.

3

Products for showers, hydrotherapy, and spas

Under our renowned Kinedo brand, we have redefined the shower experience for over 25 years. Our comprehensive range includes shower trays, wall panels, shower enclosures, bathtubs, shower enclosures, and spas.

We recognize that personal well-being knows no age or budget constraints. Whether you prioritize safety and accessibility in your shower experience or you're an enthusiast of luxurious well-being, Kinedo has designed products with your unique desires in mind. For those seeking a safe, accessible shower, Kinedo offers solutions that enhance everyday comfort and ease. And for those with a penchant for luxury and well-being, our products elevate the shower experience to a realm of pure indulgence.

Kinedo's commitment to innovation ensures that our offerings are as diverse as our customers' preferences. We are dedicated to making every shower a source of happiness and rejuvenation while aligning with our sustainability values.

80%
OF OUR SOLUTIONS ARE CUSTOMIZED
TO MEET SPECIFIC CUSTOMER NEEDS



OUR COMMITMENT TO QUALITY AND SUSTAINABILITY CERTIFICATION

At SFA Group, we are firmly committed to going above and beyond legal requirements and setting the highest standards in terms of quality, environmental responsibility, and workplace safety. This determination is reflected in our numerous certifications, which recognize our efforts to promote responsible and sustainable practices across all our business sectors.

Our certifications are not just accolades; they are an expression of our corporate identity and our unwavering dedication to sustainable development. Here are some of our notable certifications:



ISO 9001 - Quality Management

Our production facilities SFA, SETMA, and Zehnder Pumpen have achieved ISO 9001 certification, acknowledging our high standards in quality management.



ISO 14001 - Environmental Management System

Zehnder Pumpen and our SFA production facility are ISO 14001 certified, emphasizing our efforts to minimize our environmental impact and promote sustainable resource utilization.



QUALITY, ENVIRONMENTAL
RESPONSIBILITY,
AND WORKPLACE SAFETY

5

CERTIFICATIONS



ISO 45001 - Occupational Health and Safety Management System

Our subsidiary, Zehnder Pumpen, has received ISO 45001 certification, reaffirming our commitment to creating a safe and healthy work environment for our employees.



Origine France Garantie

A majority of our SFA products manufactured at our SFA (Brégy) and SETMA (La Ciotat) sites have obtained «Origine France Garantie» certification. This is recognition of our commitment to defending French manufacturing.



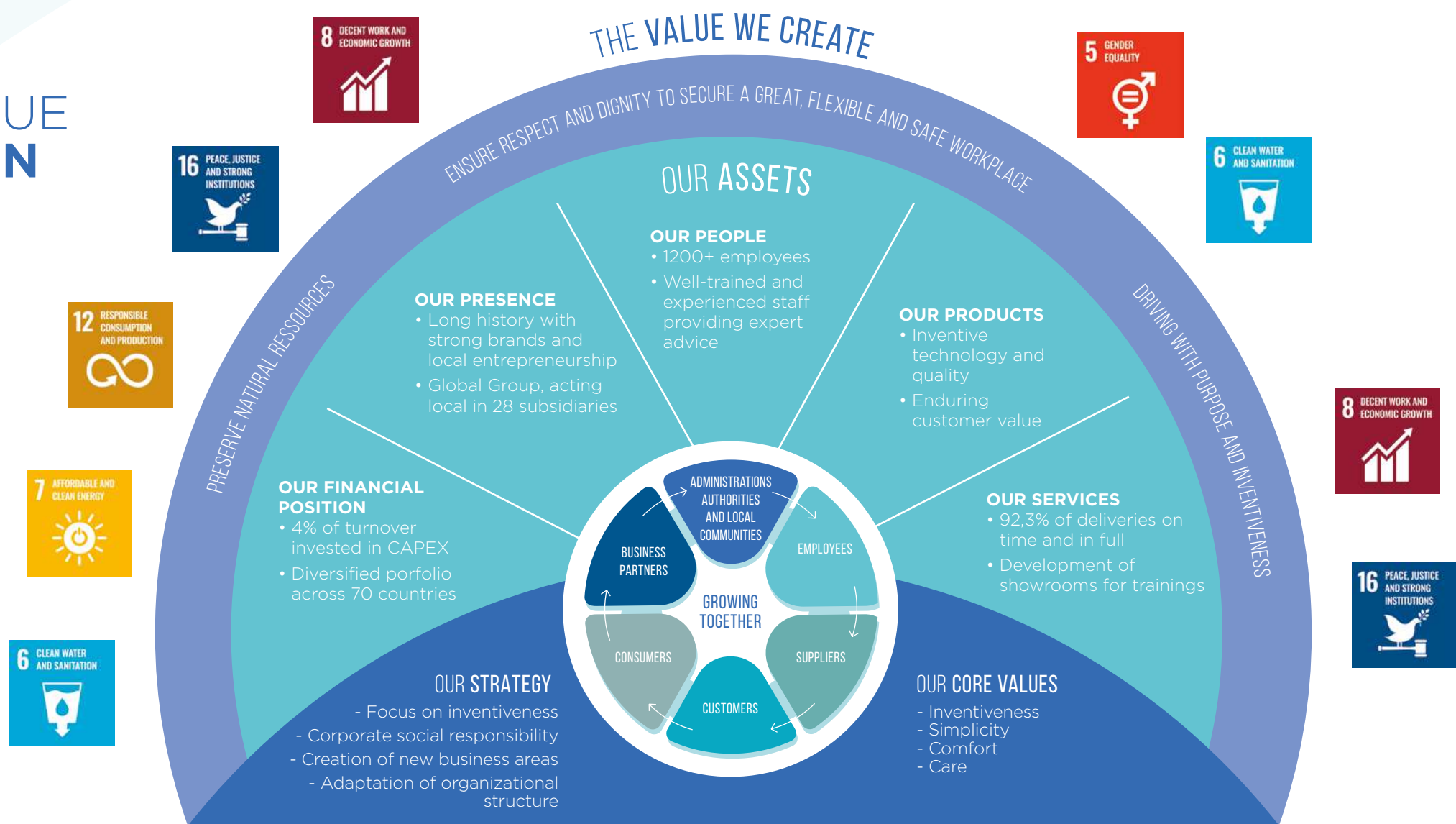
EcoVadis Bronze Medal

In 2023, the SFA Group was awarded the EcoVadis Bronze Medal for the second time, recognizing our efforts in corporate social responsibility and sustainability.

While these certifications are significant milestones for our company, **we view them as part of an ongoing process.** Our commitment extends beyond meeting certification requirements; they serve as an inspiration for us to continuously improve and advance our mission **for a sustainable future.**



OUR VALUE CREATION MODEL



OUR CORE VALUES

Our corporate values have been a guiding force on our journey towards sustainability. Initially defined by our leadership in 2016, they have grown and evolved over time, becoming even more integral to our identity. In 2023, we took another significant step by redefining these values in collaboration with employees from around the world.

These values are not just words on paper; they represent our commitment to responsible business practices, societal well-being, and environmental stewardship. They reflect who we are, who we aim to be, and how we aim to make a positive impact in the world.



INVENTIVENESS: we create smart solutions

Our inventiveness is the key to our success. We creatively solve complex sanitation challenges and advocate for the development of novel solutions. With «You can. Anywhere.» as our guiding principle, we encourage each other to expand our skills and remain open to growth and continuous improvement. We are receptive to new ideas, engage in research, take risks to find innovative problem-solving approaches, and share our knowledge and skills to grow collectively.



COMFORT: we bring comfort to people's lives

Our focus is on high-quality, reliable, and long lasting products that make a difference in people's lives. We are committed to maintaining the integrity of our products and ensuring the comfort and safety of our customers and employees. We follow through on our commitments and communicate transparently with our stakeholders.



SIMPLICITY: we keep it simple

We emphasise simplicity in everything we do. Our goal is to develop solutions that effectively address complex challenges while being easy to understand and apply. We know that clarity and straightforwardness are key. Simplicity also requires clear communication. We believe in open and direct communication where all parties can easily understand the information being exchanged.



CARE: we care for people and planet

Our responsibility extends beyond our organization. We advocate for the well-being and safety of our employees and cultivate an inclusive environment that values diversity. We are dedicated to seeking and acting upon feedback for continuous improvement. We consider the social and environmental implications in everything we do and work towards making society and the environment a better place.

Our sustainability strategy reflects these values and guides our efforts to create a sustainable future.

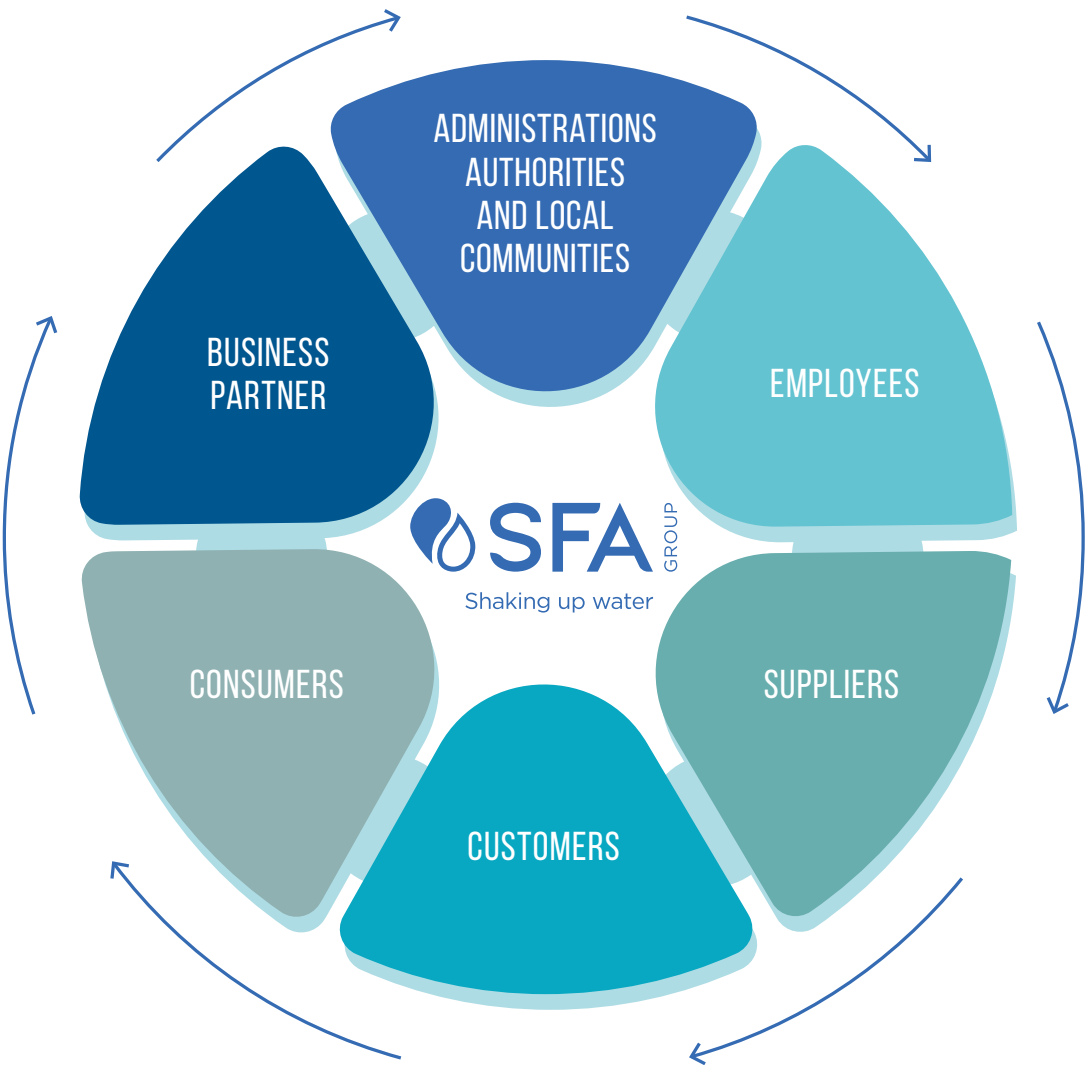
We take pride in the fact that our values are not mere words but are deeply embedded in our daily actions and our sustainable development strategy.

OUR STAKEHOLDERS

Our commitment to stakeholder engagement

At SFA Group, we believe that success goes hand in hand with responsible and sustainable business practices. Our commitment extends beyond our products and services; it encompasses the relationships we build with our stakeholders. We recognize that each of our stakeholders, including employees, local communities, suppliers, customers, and consumers, brings unique perspectives and expectations to our company.

We are committed to engage with diverse stakeholders, meeting their needs, and exceeding their expectations by aligning our actions with our core values which are inventiveness, comfort, simplicity, and care. Our aim is to create a positive impact within our organization and the communities we serve.



Employees

- Providing a safe and healthy work environment in compliance with safety standards.
- Offering opportunities for training and professional development to enhance the skills of our employees.
- Promoting equal opportunities, diversity, and inclusion within the company.
- Feeling a sense of pride by contributing to high quality products & services.
- Enhancing team collaboration.

Suppliers

- Establishing partnerships with responsible suppliers that adhere to ethical, social, and environmental standards.
- Promoting the use of sustainable and recyclable raw materials.
- Fostering a commitment to building a long-term partnership rather than a transactional relationship.
- Willingness to collaborate on new projects, innovations, or initiatives that could benefit both parties.

Customers

- Building business relationships based on ethical principles and mutual trust.
- Fostering a commitment to building a long-term partnership rather than a transactional relationship.
- Willingness to collaborate on new projects, innovations, or initiatives that could benefit both parties.
- Consistently offering quality products establishes a positive reputation in the market.
- Constantly meeting regulatory compliance.
- Ensuring a continuous market presence.
- Delivering high-quality products meeting or exceeding customer expectations.

Consumers

- Providing clear information about product use, care, and performance.
- Offering high-quality, safe and sustainable products with stringent safety standards.
- Offering a consistent user experience.
- Reducing the hassle of returns, repairs or replacement.
- Investing in transparent practices and authentic marketing.
- Developing trust in the brand.

Business partners

- Collaborating with NGOs on sustainability and CSR initiatives that align with shared values.
- Partnering with legal firms to ensure compliance with all relevant laws and regulations.
- Establishing clear contracts and agreements to outline responsibilities and expectations.
- Maintaining a strong banking relationship to manage financial transactions, investments, and loans effectively.
- Seeking guidance to optimize business strategies and operations for enhancing overall performance.
- Regularly reviewing progress and adjust strategies.



Administration, authorities, and local community

- Communicating proactively with the commune to address any potential issues or concerns related to our operation.
- Working closely with the departmental authorities to align business practices with regional development goals and regulations.
- Complying with any department-specific regulations and engage in discussions to find mutually beneficial solution.
- Maintaining a strong and transparent relationship with relevant government authorities at various levels.
- Contributing to local economic development by creating jobs and supporting local businesses.
- Producing our products in an environmentally friendly manner.
- Engaging in social and environmental projects for the local community.



2. **OUR ENGAGEMENT**

DRIVING CHANGE: SFA GROUP'S ESG VISION IN ACTION

At SFA Group, our commitment to ESG principles guides our goals and actions. Through proactive engagement initiatives, we promote positive environmental stewardship, support our communities and champion sound governance practices. This report emphasises our ongoing commitment to creating sustainable value while implementing responsible business practices

THE SFA GROUP AND THE UNITED NATIONS GLOBAL COMPACT



Since 2021, the SFA Group has been a proud participant of the United Nations Global Compact’s initiative for corporate social responsibility. During this time, we have wholeheartedly embraced the Compact’s Ten Principles, which encompass human rights, labour standards, environmental protection, and anti-corruption efforts. **This commitment is not only a part of our corporate strategy but is also deeply woven into our corporate culture and daily operations.**

Our annual “Communication on Progress (CoP)” serves as a transparent report on how we implement the Ten Principles of the UN Global Compact and support the Sustainable Development Goals (SDGs). Through our active participation in the United Nations Global Compact, we contribute to driving positive change that aligns with global efforts for a sustainable and just future.



SUSTAINABLE DEVELOPMENT GOALS

SFA Group and the Sustainable Development Goals (SDGs)

The SFA Group is committed to supporting the Sustainable Development Goals (SDGs) set by the United Nations. These goals were established to create a better and more sustainable future for all people on our planet. We have identified specific SDGs that reflect our business activities and meet the expectations of our stakeholders. Our efforts are focused on the following SDGs:

- SDG 5** - Gender equality,
- SDG 6** - Clean water and sanitation,
- SDG 7** - Affordable and clean energy,
- SDG 8** - Decent work and economic growth,
- SDG 12** - Responsible consumption and production,
- SDG 16** - Peace, Justice, and Strong Institutions.

Our commitment to these SDGs reflects our aspiration to make a positive contribution to a sustainable and just future. Through our engagement with the United Nations Global Compact and our support for the SDGs, we demonstrate our firm belief in a better world and actively work towards its realization.

For an overview of our specific actions, please see our individual roadmaps for environment, social and impactful business.

OUR CONTRIBUTIONS



We promote diversity within the SFA Group by creating an inclusive environment and actively supporting career opportunities for everyone, regardless of their gender. Our measures to advance gender equality are prominently reflected in our hiring policies, training programs, and professional development initiatives.



As a leading manufacturer of water-related products, we acknowledge the vital importance of ensuring access to clean drinking water and adequate sanitation facilities worldwide. We develop and produce solutions that respect the highest hygiene standards and ensure access to proper sanitation facilities around the world.



We invest in renewable energy sources, including the installation of solar panels at some of our facilities. While a portion of the generated energy is fed into the local grid, our investments contribute to the promotion of renewable energy and long-term reduction of CO2 emissions.



We contribute to the economic development of the regions in which we operate by creating dignified employment opportunities, ensuring safe working conditions, and fostering professional growth for our employees. Additionally, we collaborate closely with local partners to bolster the local economy further.



We design water-efficient products to promote the efficient utilization of water resources. Furthermore, we advocate for the optimal use of materials, support recycling efforts, and minimize waste. Our products are engineered for long-lasting performance, and we offer comprehensive customer service and spare parts availability to encourage responsible consumption.



We consistently uphold high ethical standards and promote integrity and transparency in all our business activities. We maintain fair and respectful business relationships with our partners and actively contribute to the promotion of peaceful societies by endorsing responsible business practices.

GOALS

- 5.1** End all forms of discrimination against all women and girls everywhere
- 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 5.2** Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
- 6.2** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation by paying special attention to the needs of women and girls and those in vulnerable situations
- 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix
- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 12.2** By 2030, achieve the sustainable management and efficient use of natural resources
- 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 16.5** Substantially reduce corruption and bribery in all their forms
- 16.6** Develop effective, accountable and transparent institutions at all levels

2. OUR ENGAGEMENT



COMPREHENSIVE SUSTAINABILITY EFFORTS: OUR SUPPORT FOR THE SDGS GOES BEYOND PRIMARY GOALS

Our commitment to sustainability goes far beyond our primary objectives. In addition to our targeted contributions to SDGs 5, 6, 7, 8, 12, and 16, we are actively engaged in supporting a variety of other Sustainable Development Goals (SDGs). This wide array of efforts reflects our holistic dedication to creating a better and more sustainable world.



SDG 1 (No poverty):

- Supporting vocational training programs for disadvantaged populations in the regions where we operate.
- Creating dignified and sustainable local employment opportunities in disadvantaged regions where we operate.



SDG 2 (Zero hunger):

- Collaborating with local organizations to provide access to clean water for disadvantaged communities, thereby contributing to improved food security.



SDG 3 (Good health and well-being):

- Developing effective solutions for water treatment and sanitation to reduce the risk of diseases caused by contaminated water.
- Designing equipment for showers, whirlpools, and spas that promote hygiene and physical well-being.



SDG 4 (Quality education):

- Partnering with NGOs to raise awareness about the importance of hygiene, clean water, and sanitation in schools and communities, thus contributing to comprehensive education.
- Providing scholarships or educational programs for students in technical fields, especially in plumbing.



SDG 9 (Industry, innovation, and infrastructure):

- Investing in research and development to create more sustainable and innovative products.



SDG 10 (Reduced inequalities):

- Collaborating with local organizations to provide sanitary facilities in disadvantaged communities, thereby improving access to basic amenities.



SDG 11 (Sustainable cities and communities):

- Designing efficient solutions for buildings that contribute to the sustainable use of resources in urban areas.



SDG 13 (Climate action):

- Reducing carbon emissions through the production of energy-efficient products and the adoption of eco-friendly production processes.



SDG 14 (Life below water):

- Reducing the use of plastic in the production of our products to mitigate the risk of pollution in marine ecosystems and oceans.



SDG 15 (Life on land):

- Using sustainable materials in the manufacturing of our products to minimize their impact on Earth's ecosystems.
- Collaborating with organizations on projects aimed at preserving terrestrial ecosystems.



SDG 17 (Partnerships for the goals):

- Partnering with NGOs to implement initiatives for sustainable development.



THE SFA GROUP AND ITS SUSTAINABILITY COMMITMENT

The SFA Group is driven by a clear mission: «To design and manufacture solutions for the private and professional sector wherever water flows and drains.» This spirit of innovation propels us to create original solutions that are efficient in water and energy usage, easy to install, and built to last.

This reflects that sustainability has been deeply integrated into the core of our business model for a long time.

1 ENVIRONMENT

Preserve natural resources:

Our commitment to the environment includes minimizing our environmental impact and continuously optimizing our operational processes. This involves initiatives to enhance energy efficiency, reduce waste, and transition to renewable energy sources.



2 SOCIAL

Ensure respect and dignity to secure a great, flexible and safe workplace:

We actively promote diversity, inclusion, and zero discrimination within our organization. We firmly believe that all employees should work in an environment free from discrimination, harassment, and any compromise to their safety. At all stages of the employment relationship, employees are treated on the basis of merit and valued according to their abilities, with no distinction, exclusion, or preference based on criteria other than the work to be performed. We are committed to fostering a workplace where the physical and emotional well-being of our employees is a top priority, always ensuring their safety.

0 TOLERANCE TOWARDS DISCRIMINATION

3 IMPACTFUL BUSINESS

Driving with purpose and inventiveness:

We are committed to achieving long-term profitability to advance our mission and fulfil our responsibility to stakeholders. Our dedication to this commitment is underscored by a zero-tolerance policy towards corruption. Our employees are aware of this issue, and our CSR Ethics Committee, trained by experienced lawyers, conducts ongoing training. Our procurement team has already undergone internal training. We are unwavering in promoting transparency, integrity, and ethical conduct across all our business domains, ensuring that corruption is not tolerated in any form.

0 TOLERANCE TOWARDS CORRUPTION



The SFA Group is dedicated to respecting internationally recognized human rights and adheres to the UN Guiding Principles on Business and Human Rights. **Our commitment extends to our suppliers and is anchored in internal company standards.**

Our commitment to sustainability goes beyond words and is evident through our actions in daily operations and our long-term strategy for sustainable development.

Our relationships with these stakeholders are essential to our commitment to sustainability, and we continuously strive to meet their needs and expectations while adhering to the principles of social responsibility and ethical business practices.



3. ENVIRONMENT

PRESERVE WATER AND OTHER NATURAL RESOURCES

and reduce our carbon footprint via efficient,
durable products and solutions.

ROADMAP ENVIRONMENT

VISION 2030

OBJECTIVES 2027

ENERGY	Achieve an energy mix by promoting renewable energy sources and pursuing energy efficiency at all levels of our operations.	<ul style="list-style-type: none">• 30.000 m² of solar panels installed in our facilities.• Reduce our energy consumption by 10%.• Raise awareness of sustainable energy consumption among.
WATER	Reduce our consumption by using water resources efficiently and working with local communities to ensure fair access to clean water while protecting water ecosystems.	<ul style="list-style-type: none">• Reduce our water consumption by 10%.• Raise awareness of sustainable water consumption among 100% of the workforce.
WASTE	Reduce our waste production by optimising our processes, promoting recycling and innovating product design to adopt a circular economy approach.	<ul style="list-style-type: none">• Reduce waste production by 5%.
CARBON FOOTPRINT	Reduce our carbon footprint by adopting sustainable practices at all levels of our value chain, while encouraging innovation and raising awareness of the importance of transitioning to a low-carbon economy.	<ul style="list-style-type: none">• Reduce our greenhouse gas emissions by 10%.• Have 20% sustainable vehicles in our fleet.• Conduct life cycle analysis for 80% of products families.
CERTIFICATION	ISO 14001	<ul style="list-style-type: none">• 50% of factories certified.

RESULTS 2023

RESULTS 2022

ENERGY	<ul style="list-style-type: none"> • 18.500 m² • N/A • 45% of employees followed the course on sustainable energy consumption 	<ul style="list-style-type: none"> • 9.000 m² • Total energy consumption 408 594MWh • ./.
WATER	<ul style="list-style-type: none"> • N/A • 53% of employees followed the course on sustainable water consumption 	<ul style="list-style-type: none"> • 10 MI • ./.
WASTE	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • 2.942kg
CARBON FOOTPRINT	<ul style="list-style-type: none"> • N/A • N/A • Participation on eco-conception workshop to kick off LCA project 	<ul style="list-style-type: none"> • 171 ktCO2e • 9% sustainable car fleete (hybrid/electric) • 0%
CERTIFICATION	<ul style="list-style-type: none"> • 25% 	<ul style="list-style-type: none"> • 12.5%

ENVIRONMENTAL PROTECTION: PROMOTING A GREENER FUTURE

As part of our unwavering commitment to environmental protection, we are actively involved in various initiatives aimed at preserving the delicate ecosystems of our planet and reducing our ecological footprint.

Let's take a closer look at some of our notable environmental initiatives:

CLIMATE PROTECTION

Addressing the climate crisis through sustainable energy practices.

We recognize the crucial role of energy in shaping a more sustainable world and align with Sustainable Development Goal 7 (SDG 7), which aims to ensure access to reliable, sustainable, and affordable energy services for all.

We have implemented a range of measures in our facilities and operations to save energy. These include transitioning from conventional lighting to LEDs, using energy-efficient home automation systems that regulate energy consumption in real-time, and investing in the modernization of our production facilities to significantly reduce energy consumption. Our ambitious goal to increase the use of renewable energy includes the installation of photovoltaic panels at some of our sites and collaborating with local energy providers to feed excess electricity into community grids.



10.4%
OF RENEWABLE
ENERGY IN ELECTRICITY

EXAMPLES:

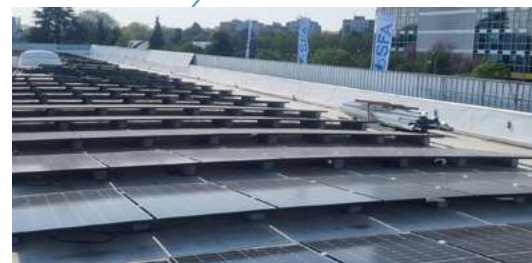
Our subsidiary, Zehnder Pumpen, has replaced all lighting in the production areas and offices of the factory. The installation of 120 LED lamps resulted in an annual savings of approximately 64,000 kWh of electricity. This corresponds to a reduction in energy consumption for lighting by nearly 70%.

-70% IN ENERGY CONSUMPTION

Thanks to the collaboration between Solvatten and Saniflo Sweden, several families in Uganda have been able to enjoy clean and warm water at home using their equipment, which heats and sterilizes water using solar energy.

2000M² OF SOLAR PANELS THAT WILL
GENERATE **321.11 MWh**

The premises of SFA Italia are located in an energy-efficient building. Its "energy-efficient" home automation system allows automatic regulation of lighting and temperature, thanks to numerous connected sensors. The building's roof is covered with 2000 m² of solar panels that will generate 321.11 MWh of green electricity in 2023.



WATER MANAGEMENT AND RESOURCE EFFICIENCY

Water management for a healthier world:

Sustainable Development Goal 6 (SDG 6) holds paramount importance for our company, as water is indispensable for life and environmental preservation. As a manufacturer of devices heavily reliant on water, we aim to raise awareness about water as a critical societal challenge and position ourselves as advocates for water-related issues.

Sustainable production and water-efficient products:

Our commitment to reducing water consumption encompasses the implementation of technologies that optimize water usage in our production processes. Furthermore, we continuously invest in research and development to create products that are both water-efficient and effective.

Promoting responsible water use:

We place significant emphasis on educating our employees about the importance of responsible water consumption. Additionally, our brand websites feature blogs with environmentally conscious practices that consumers can adopt to protect this precious resource.



10 ML
OF WATER CONSUMPTION



All our products undergo testing in our laboratories using filtered water that is 100% recycled in a closed-loop system.

The Eco+ dual flush system makes our Sanicompact range one of the most water-efficient on the market. This system consumes 1.8 or 3 Liters of water, resulting in an annual reduction of 13,000 liters compared to a conventional toilet with a 3/6-liter flush tank.

3. ENVIRONMENT



RESPONSIBLE WASTE MANAGEMENT

Minimizing waste is a crucial element of our environmental commitment. Our approach focuses on promoting efficient material use during the manufacturing of our products and implementing a comprehensive waste recycling process.

Source reduction of waste:

We employ a source reduction strategy to minimize waste. Our processes are carefully analysed to identify and implement waste reduction opportunities. This allows us to reduce waste to a minimum during the production of our products.

Waste recycling:

In our facilities, we implement an effective waste separation system that maximizes recycling opportunities for all types of waste. We are committed to ensuring that as much of our waste as possible undergoes recycling to minimize environmental impacts.

Development of sustainable products:

Our dedicated research and development teams continuously work to extend the lifespan of our products through the design of sustainable and durable solutions. Our efforts aim to minimize both our environmental impact and waste generation throughout the product lifecycle.



630T

OF RECYCLED GLASS USED
TO MAKE ENCLOSURES

RESOURCE EFFICIENCY: RESPONSIBLE PRODUCT DESIGN

Our commitment to sustainability extends beyond product development to our product packaging. We prioritize resource-efficient packaging design and opt for sustainable materials from responsible sources.

Recycling-friendly packaging:

We use recycled cardboard and prefer cardboard with the FSC label to ensure that our packaging adheres to the highest environmental standards. This not only supports reducing environmental impacts but also contributes to the conservation of natural resources.

Polystyrene reduction and eco-friendly alternatives:

We are aware of the environmental impact of polystyrene and actively work to reduce its use in our packaging. Our long-term vision is to eliminate polystyrene entirely from our packaging. To achieve this, we are researching eco-friendly alternatives that not only minimize environmental burden but also ensure the safety and optimal protection of our products during transportation and handling.

In 2023, our bathtub and whirlpool manufacturing factory in La Ciotat, France, received the PEFC certification.

The PEFC certification guarantees that the wood used for reinforcing bathtubs and whirlpools comes from responsibly managed forests.

Through this certification, we enable consumers to make sustainable purchases that contribute to environmental conservation and forest protection.

BIODIVERSITY AND ECOSYSTEM RESTORATION

The conservation and restoration of ecosystems are crucial endeavours for the health of our planet and its inhabitants. Recognizing the essential role of bees as pollinators, our business units have launched beekeeping initiatives to contribute to biodiversity conservation. These efforts include creating bee-friendly habitats, planting trees, and collaborating with local beekeepers to strengthen bee populations and enhance their positive impact on local flora.

EXAMPLES:

To preserve biodiversity and maintain green areas naturally, our production facility in Chaumes-en-Retz, France, has introduced eco-grazing. This initiative, developed in collaboration with local livestock farmers, allows for effective vegetation management and prevents the spread of invasive species on the site. By choosing this method, we actively contribute to the natural balance of the ecosystem and promote pesticide-free land management.



In 2022, our Aquasystems business unit in Belgium has installed a beehive on its premises, housing 80,000 bees. In this context, we have eliminated the use of chemical herbicides, created a bee-friendly fallow field, and planted trees. Additionally, SETMA Europe has partnered with Athélia Entreprises for 2 beehives, and our subsidiary, SFA Japan, has had its own beehives since beginning of 2023.

REFORESTATION FOR CARBON SEQUESTRATION

Forests play a vital role in sequestering carbon dioxide and protecting biodiversity. In partnership with Wearth, our subsidiary SFA Saniflo Canada has initiated a reforestation project in Saskatchewan, Canada.

EXAMPLE:



In collaboration with Wearth, our subsidiary, SFA Saniflo Canada, has commenced the planting of 2,210 trees covering a total area of 5,990 square meters in the Saskatchewan region of Canada. This reforestation project aims to restore natural habitats and counter the trend of deforestation.

Wearth contributes to solving environmental issues related to deforestation, climate change, and food security through positive, meaningful, and tangible actions. Since 2007, this organization has successfully planted over one million trees.

3. ENVIRONMENT

REDUCING OUR GREENHOUSE GAS EMISSIONS
our commitment to environmental responsibility:

At SFA Group, we are firmly committed to minimizing our environmental impact, particularly in the context of greenhouse gas emissions. We recognize that addressing climate change is a global imperative, and as a responsible corporate citizen, we are dedicated to doing our part to mitigate this critical issue.

Our comprehensive approach:

Energy efficiency:

We continuously strive to enhance the energy efficiency of our facilities and processes. This includes implementing energy-efficient technologies, optimizing energy consumption, and upgrading infrastructure to minimize our carbon footprint.

Renewable energy:

We actively invest in renewable energy sources to power our operations. By harnessing solar and other clean energy technologies, we aim to transition toward a more sustainable energy supply and decrease our reliance on fossil fuels.

Supply chain sustainability:

We collaborate with our suppliers to improve their environmental performance. We encourage sustainable sourcing practices and work closely with partners who share our commitment to reducing emissions throughout the supply chain.

Product innovation:

Our research and development teams work tirelessly to develop eco-friendly products that have a lower environmental impact. We prioritize sustainable materials, manufacturing processes, and design for recyclability.

Transportation and logistics:

We optimize our transportation and logistics operations to reduce emissions associated with the movement of goods. This includes route optimization and efficient fleet management.

Carbon offsetting:

Where emissions reduction is challenging, we engage in carbon offsetting initiatives. We invest in projects that capture or reduce greenhouse gases in the atmosphere, such as reforestation or projects related to water conservation, to compensate for our emissions.

Our progress and commitment:

While we have made strides in reducing our greenhouse gas emissions, we acknowledge that our journey towards sustainability is ongoing. We assess our emissions, set ambitious reduction targets, and report transparently on our progress.

In 2023, we took a step forward in our environmental efforts by partnering with Greenly. This collaboration allowed us to comprehensively calculate our 2022 Corporate Carbon Footprint, which is our total CO₂ footprint. Our initial findings indicate that our emissions in Scope 1 amount to 2.4kt, in Scope 2, it's 1.4kt, and in Scope 3, it's 167kt. These insights serve as a crucial starting point for our ongoing endeavours to reduce emissions and minimize our environmental footprint.

Our commitment to reducing greenhouse gas emissions aligns with international agreements and best practices. We believe that by taking meaningful action to address climate change, we not only contribute to a more sustainable future but also strengthen our resilience as a company.

At SFA Group, we are resolute in our dedication to environmental responsibility and remain steadfast in our pursuit of reducing greenhouse gas emissions to combat climate change effectively. Together, we can make a difference for our planet and future generations.



KPIS

Indicators	2022
Percentage of company turnover invested in R&D for environmentally friendly products / services in this reporting period.	4%
Percentage of renewable energy in electricity	10.4%
Total energy consumption in MWh - electricity	12.888
Total energy consumption in MWh - gas	366.053
Total energy consumption in l - fuel	4.595
Percentage of the workforce that is aware of sustainable energy use	36% (as of 13.11.23)
Total water consumption in megaliters	10
Total weight of hazardous waste in t	153
Total weight of non-hazardous waste in t	2.798
Total weight of waste recovered in kg	1.762
Gross global greenhouse gas emissions of the company from Scope 1 in the reporting period	2.4kt
Gross global greenhouse gas emissions of the company from Scope 2 in the reporting period	1.4kt
Gross global Scope 3 greenhouse gas emissions during the reporting period	167kt
Number and area (in hectares) of sites owned, leased or managed by the company in or near protected areas and/or key biodiversity areas (KBAs).	0
Area of previous projects (hectares) focused on ecosystem restoration and protection supported or implemented by the company	0.6
Percentage of recycled glass used to manufacture enclosures	20%
Percentage of production sites that are ISO 14001 certified	25%



4. SOCIAL

ENSURE RESPECT AND DIGNITY FOR ALL PERSONS

in contact with our brands: employees, stakeholders
and users, in the conduct of our business and in the use
of our products.

ROADMAP

SOCIAL

VISION 2030

OBJECTIVES 2027

RESULTS 2023

RESULTS 2022

HEALTH AND SAFETY
AT WORK

Establishing a culture of occupational health and safety that is embedded in all our operations by preventing risks, ensuring the well-being of our employees and fostering an environment where each individual feels responsible and valued for maintaining their own health.

- Certify **50%** of our production sites to ISO 45001.
- Train **100%** of the workforce in «gestures and attitudes» at our production sites
- Train **20%** of the workforce in first aid.

HEALTH AND SAFETY
AT WORK

- **25%**
- Training offensive on all production sites started
- N/A

- **0%**
- **69,5%** of workfore trained
- **17,6%** of workforce trained as first aider

DIVERSITY AND
INCLUSION

Creating an environment where every voice counts by fostering a culture of diversity and inclusion that encourages innovation, strengthens our performance and reflects the richness of the world in which we operate.

- Train **100%** of the workforce in the fight against discrimination and harassment.

DIVERSITY AND
INCLUSION

- **78%** of the workforce is trained

- **50%** of the workforce was trained on the topic of discrimination, bullying, diversity and inclusion by an external consulting firm or local CSR managers worldwide.

EDUCATION AND
DEVELOPMENT CAREER

Invest in the training and career development of our employees by aligning their professional goals with our CSR goals, fostering a culture of lifelong learning and advancement within the company.

- **75%** of employees trained per year
- **25** hrs of training per employee

EDUCATION AND
DEVELOPMENT CAREER

- N/A
- N/A

- **60%**
- **20,3** hrs per employee

COMMUNITY AND
LOCAL DEVELOPMENT

To participate in local development and increase our integration into communities through socially responsible and economically inclusive initiatives to create a sustainable positive impact.

- **100%** of our production sites invite to «Open Day» every 2 years.
- Provide **1000** people with access to clean drinking water and sanitation facilities

COMMUNITY AND
LOCAL DEVELOPMENT

- **25%** or our production sites invite stakeholder to Open Days
- **120** people in Uganda
- **250** students in Vietnam

- **0%**
- **128** people in Uganda
- **3** households in Philippines

ENSURE RESPECT AND DIGNITY TO SECURE A GREAT, FLEXIBLE AND SAFE WORKPLACE

Social responsibility: our commitment to building a fairer world

As a company, we bear a responsibility not only to consider the ecological aspects of our actions but also to exert a positive social impact on our employees, partners, and communities.

In this chapter of our Sustainability Report, we aim to shed light on six key areas that constitute the core of our social responsibility:

HEALTH AND SAFETY IN THE WORKPLACE

The safety and well-being of our employees are of paramount importance. We take pride in developing measures and programs to ensure a safe and healthy workplace. This chapter will provide insights into our initiatives to promote workplace safety and employee well-being.

DIVERSITY AND INCLUSION

Our corporate culture is built on the belief that diversity is a strength. We actively work towards creating an inclusive work environment where every voice is heard, and every employee can fully thrive. Here, we will elaborate on our efforts to promote diversity and inclusion.

COMBATTING DISCRIMINATION AND HARASSMENT

Discrimination and harassment in the workplace are unacceptable. We have implemented zero-tolerance policies and work diligently to prevent and combat such behaviors. This chapter will outline our strategies and programs for preventing discrimination and harassment.

EDUCATION AND CAREER DEVELOPMENT

Our employees are our most valuable asset. We believe in continuous education and career development to unlock potentials and foster careers. Here, we will introduce our training and career development programs that provide opportunities for personal and professional growth.

HUMAN AND LABOR RIGHTS

We stand behind fundamental human and labor rights and are committed to fair labor practices and just compensation. This chapter will highlight our efforts to uphold these rights and ensure ethical working conditions.

COMMUNITY AND LOCAL DEVELOPMENT

We see ourselves as integral parts of the communities in which we operate. In this chapter, we will demonstrate how we bring about positive changes in our communities through social initiatives and local development programs.

The following sections offer detailed insights into our initiatives, achievements, and upcoming challenges in these critical areas of social responsibility. We are steadfast in our commitment **to create a fairer and more inclusive world and look forward to sharing our progress and commitments with you.**

HEALTH AND SAFETY AT THE WORKPLACE

Our comprehensive global health and safety policy forms the foundation of our commitment. It is built upon clear principles:

• Safe and healthy work environment:

We are dedicated to create a workplace where our employees and visitors feel safe and healthy. We invest in modern tools and provide personal protective equipment (PPE) when necessary.

• Compliance with laws and standards:

We respect and adhere to all applicable laws, regulations, and standards related to health and safety in the workplace. Our subsidiary, Zehnder Pumps, has already received ISO 45001 certification, and we plan to certify more locations in the near future.

• Identification and control of risks:

Identifying, assessing, and controlling health and safety risks are critical. We place special emphasis on preventive measures to recognize and minimize risks.

• Employee engagement and consultation:

We value our employees' opinions and encourage their active participation. This year, we conducted our first internal employee survey to gauge their perception of health and safety aspects.

• Training and awareness:

We offer training and awareness programs to educate our employees about workplace health and safety aspects. Our employees are also trained in first-aid measures to respond quickly and effectively when needed.

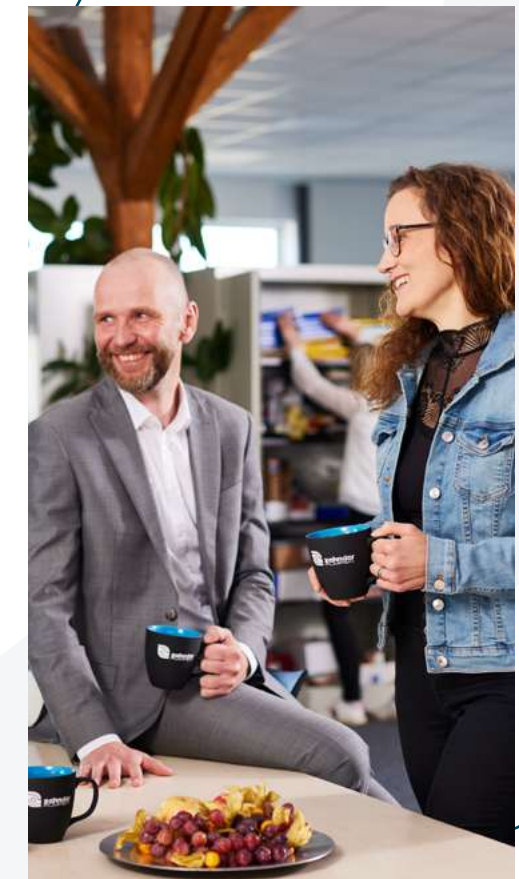
• Continuous improvement:

Our commitment to continuous improvement drives us to constantly optimize our health and safety management system. We record and analyze workplace accidents and incidents to understand their causes and implement appropriate corrective actions.

OUR HEALTH AND SAFETY OFFICERS

To ensure the successful implementation of our policy, we have dedicated health and safety officers within our workforce. Their responsibilities include:

- Conducting risk assessments and inspections to identify potential hazards.
- Developing and implementing procedures to ensure health and safety in the workplace.
- Training and raising awareness among employees regarding health and safety requirements.
- Organizing workshops and training sessions, such as risk hunting during Safety Days at our Aquaproduction facility in France or muscle warm-up sessions at all our French production sites, as well as in Belgium and the US.
- Training Kinedo field employees on traffic risk in France.





KEY PERFORMANCE INDICATORS (KPIs)

We take pride in measuring our performance in the field of health and safety at the workplace using specific KPIs:

• Injury frequency:

This indicator reflects how often workplace injuries occur. Our continuous efforts aim to reduce this rate to zero.

• Incident rate:

This metric measures the frequency of safety-related incidents. We are committed to minimizing this rate and continually improving our employees' safety.

We firmly believe that through our ongoing efforts to minimize all workplace risks and the involvement of our dedicated employees, a safe and healthy work environment is ensured.



4.76

INJURY FREQUENCY

0.55

SEVERITY RATE

DIVERSITY AND INCLUSION

Promoting diversity, providing equal opportunities for all, and combating discrimination are cornerstones of our social responsibility. Diversity is an asset as it enriches our work environment and fosters innovation. Our commitment to Sustainable Development Goal (SDG) 5 - Gender Equality is deeply rooted in our corporate culture. Every day, we strive to create an inclusive workplace that is free from any form of discrimination and harassment, where all employees are treated with dignity, courtesy, and respect.

We nurture an inclusive culture that values the unique perspectives, experiences, and talents of each individual. During the hiring process, the HR department endeavors to ensure a diversity of qualified candidates for every position. Throughout all phases of the employer-employee relationship, we apply the principle of meritocracy, evaluating individuals solely based on their competencies, qualifications, and experiences.

EXAMPLE:

DuoDay Participation in Chaumes-en-Retz:

Our location in Chaumes-en-Retz actively participated in DuoDay, an annual event where individuals with disabilities are welcomed into companies, associations, or government agencies to observe the work of an employee and participate in their daily tasks. In our factory, we opened our doors to three individuals who could spend a day engaging in various workstations. This initiative was conducted in collaboration with ESAT HORTICAT of the Chaumes-en-Retz municipality. Employment is a crucial factor in promoting inclusion, and this day provides a valuable opportunity to foster diversity and overcome biases related to disabilities.



15%

OF WOMEN IN
LEADERSHIP POSITIONS

We are firmly committed to promoting gender equality and the presence of women in leadership positions in our company.

The current data shows that 15% hold our senior positions. We set a goal to increase this percentage over time, highlighting our efforts to promote diversity and gender equality in the company.

FIGHTING DISCRIMINATION AND HARASSMENT

We treat all individuals fairly, regardless of their gender, disability, origin, or other characteristics. Discrimination and harassment have no place in our company, and we are committed to eradicating them in every form.

• Zero-tolerance policy:

Our zero-tolerance policy applies to all forms of harassment and discrimination, including those based on gender, ethnicity, religion, sexual orientation, or disability. It clearly defines our commitment to eliminating discriminatory behavior and harassment.

• Internal and external measures:

Our campaign against discrimination and harassment extends beyond our internal activities. We ensure that our interactions with customers, suppliers, partners, and other stakeholders reflect fairness and respect. Our discrimination and harassment policies are communicated to all our employees and are accessible to all our stakeholders through the corporate website.



78%

OF EMPLOYEES TRAINED
IN ANTI-DISCRIMINATION
AND ANTI-HARASSMENT

• “Speak Up” culture:

We strongly encourage our employees and stakeholders to report incidents they may encounter. To this end, we have established an anonymous and confidential reporting system that allows anyone to voice their concerns without fear of retaliation. Reports are thoroughly investigated, and appropriate actions are taken, including possible disciplinary measures. This culture of open communication, which we call «Speak Up,» is communicated to all our employees and stakeholders through our corporate website.

• Diversity and inclusion awareness training:

Finally, we regularly organize training sessions to raise awareness of diversity and inclusion among our employees.

KPI: Percentage of employees trained in anti-discrimination and anti-harassment

To quantify our commitment to diversity, inclusion, and the fight against discrimination and harassment, we track the percentage of employees specifically trained in this area. Currently, 78% of our workforce has received training in these sessions. This number illustrates our dedication to a work environment free from discrimination and harassment. And our efforts to raise awareness among all employees about this important issue.

4. SOCIAL

TRAINING AND CAREER DEVELOPMENT

Our employees are the backbone of our company. Therefore, we invest in their career development to ensure they acquire the skills and knowledge necessary for their personal and professional growth.



• Promoting lifelong learning:

Training plays a central role in our organization, enabling our employees to acquire the skills and knowledge they need for advancement. Our internal training programs are continuously updated to ensure they keep pace with the evolving demands of our industry.

• Internal promotion and individual development

We firmly believe in internal promotion among our own employees whenever possible before considering external recruitment. We foster a culture of career mobility that allows our employees to explore different positions within the company, expanding their skills and perspectives.

• Individual development plans

Each employee is encouraged to create a career development plan with the support of their supervisor. We support our employees in setting achievable goals and provide them with the necessary resources to fully realize their potential.

• Recognition of exceptional performance

We highly value professionalism and reward exceptional performance with result-oriented promotions to acknowledge our employees' contributions. We believe that a clear career path and recognition enhance our employees' motivation and strengthen our entire company.

Our Key Performance Indicators (KPIs)

- Average training hours per employee
- Number of employees trained annually
- Number of training initiatives per year

These KPIs are crucial in measuring the success of our efforts in training and career development for our employees. We take pride in continuously investing in the training of our employees and ensuring they acquire the necessary skills and qualifications to thrive in an ever-changing business world.

HUMAN AND LABOUR RIGHTS

Respecting and promoting human and labour rights are cornerstones of our corporate culture. We see this not only as a moral obligation, but also as a critical contribution to our sustainable growth. These principles are non-negotiable for us and serve as a fundamental framework that guides our actions throughout the value chain.

• Freedom of association and effective recognition of the right to collective bargaining:

We ensure that the rights of our workers to associate freely, to form or join trade unions of their choice and to participate in collective bargaining are respected. We encourage open dialogue and constructive cooperation with our workers, enabling them to participate in decisions about their working conditions.

• Child labour and forced labour:

We strongly condemn child and forced labour in all its forms, both in our operations and in our supply chain.

We strictly adhere to international standards prohibiting the employment of children below the legal working age and ensure that all our employees are employed voluntarily and without coercion.

• Safe and healthy working environment:

The health and safety of our employees is our top priority. We comply with international standards and local regulations to create a safe and healthy working environment for all. We take proactive steps to manage risks and continuously improve working conditions for our employees.

• Freedom of expression:

We support our employees' right to express themselves freely by promoting an open communication culture. They are encouraged to express their opinions and concerns without fear of reprisal by using the established reporting channels to inform about potential problems or actual breaches of ethical principles.

• Access to water and sanitation:

We recognise the importance of access to safe drinking water and sanitation for our employees and the communities in which we operate. We are committed to the responsible use of water and ensure access to water and sanitation for our employees.



• Gender equality and women's rights:

We promote gender equality and strive to have an inclusive and diverse workforce that provides equal opportunities for career development for all by promoting a culture of zero discrimination.

• Working conditions:

Our working conditions comply with local laws. We continuously monitor and improve our practices to ensure compliance with the highest human and labour rights standards.

Our commitments to human and labour rights are guided by internationally recognised standards, such as the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Core Conventions. These commitments extend beyond our own business operations. We also expect our suppliers, contractors and other business partners to share and comply with these principles.

Our Human Rights & Labour Policy, approved at the highest management level, is publicly available on our Group website so that all our stakeholders can access and understand our human and labour rights commitments.

4. SOCIAL

COMMUNITY AND LOCAL DEVELOPMENT

We firmly believe that our responsibilities extend beyond the walls of our organization. We consider ourselves integral parts of the communities in which we operate. In this chapter, we will delve deeper into the various initiatives and programs we have undertaken to make a positive impact on the communities that surround us.

Our commitment to community and local development encompasses a range of activities, from supporting education and healthcare initiatives to fostering economic opportunities and environmental conservation.

DEVELOPING LOCAL EMPLOYMENT

We are actively engaged in attracting local talent to our facilities. By providing employment opportunities for local people, we help reinforce the local economy and create positive social impact. We believe that fostering a diverse workforce strengthens our ability to understand and respond appropriately to the specific needs of our international clientele.

PROMOTING COMMUNICATION WITH LOCAL COMMUNITIES

We believe that fostering relationships with local people and authorities is an essential aspect of our social responsibility. For this reason, we hold open days at various production sites. These events allow us to interact directly with our local stakeholders, inform them about our activities and share our social and environmental commitment.

DATA CONFIDENTIALITY

E-learning on data protection were completed by approximately 400 employees in 2022. In addition, event-related training courses on this topic are held on an ongoing basis for the data protection coordinators as well as the employees of various specialist departments. About 80 people took part in these special trainings in the reporting year.

SOCIAL INVESTMENT

Every year we celebrate World Water Day and World Toilet Day. These events are of great importance to the SFA Group as we provide water, sanitation and hygiene solutions. On World Water Day, we participate in educational programmes and awareness campaigns to highlight the importance of sustainable water and hygiene management.

Our status as a “Gold Partner” of the World Toilet Organisation is a clear expression of our strong commitment to addressing international sanitation challenges. Through our support of World Toilet Organization-sponsored initiatives, we help promote more efficient sanitation practices and expand and improve access to quality sanitation.

EXAMPLES:

To mark World Water Day 2023, the SFA Group partnered with the Planet Water Foundation. In doing so, we made a generous donation earmarked for the installation of an “AquaFill” drinking water filter system and for hygiene education for Vietnamese school children.

Since 2021, we have raised more than €12,141 through our participation in the No Finish Line. The No Finish Line is a universal, sporting and solidarity event that started in Monaco in 1999. We support organisations such as SamuSocial de Paris or Médecins du Monde by donating €1 for every kilometre run.

€12,141 THROUGH OUR PARTICIPATION IN THE NO FINISH LINE

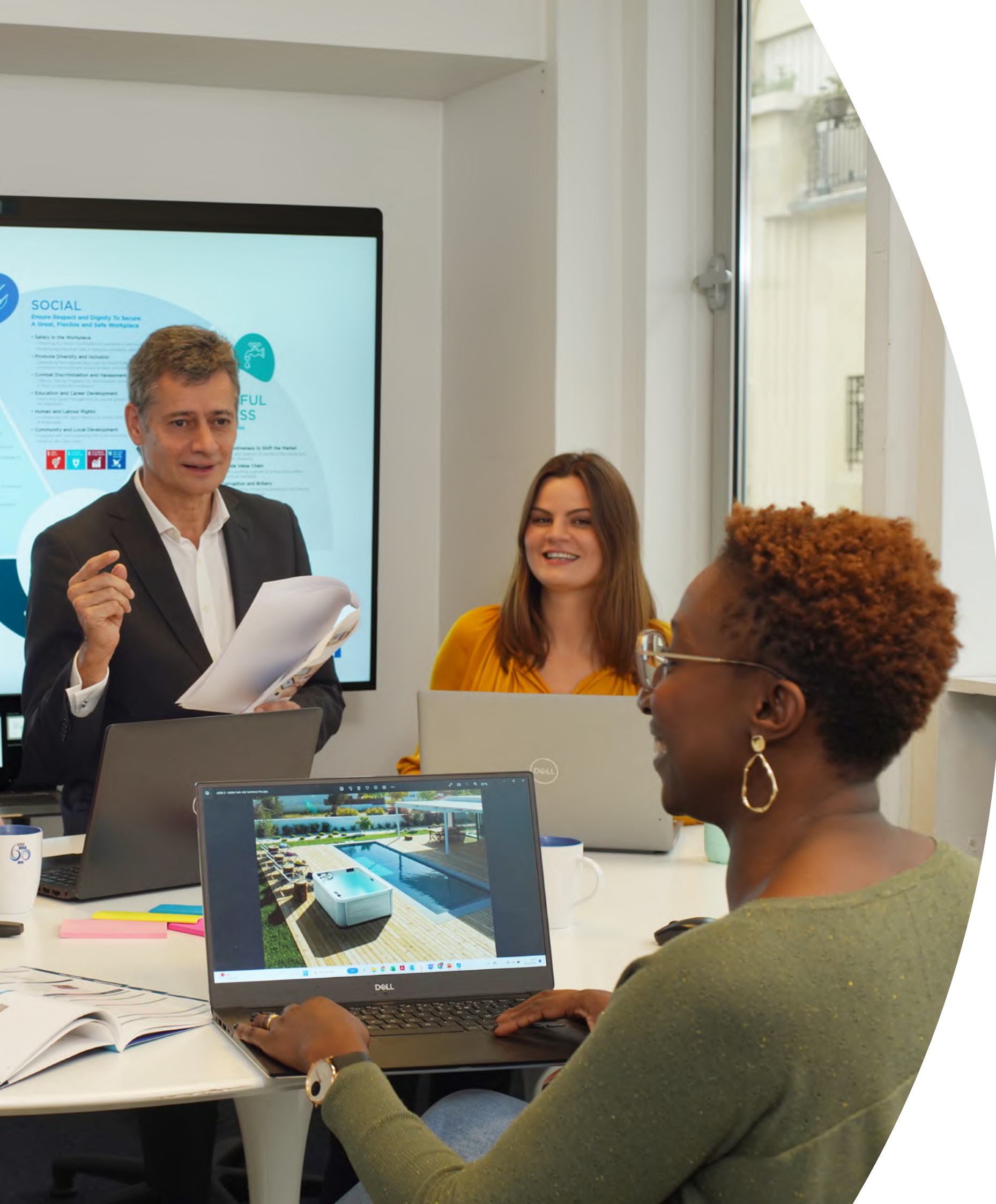
Our subsidiary Saniflo Canada supports several students of vocational schools for plumbers in the province of Ontario. The subsidiary pays for the school fees and/or books related to their education in order to promote technical studies and support the inclusion of women in this sector.

As every child has the right to a balanced diet, SFA Saniflo Canada supports the Breakfast Club organisation, which provides school children with a nutritious breakfast. Our subsidiary has generously donated to provide a balanced breakfast to thousands of children in Canadian schools.



KPIS

Indicators	2022
Percentage of women in management positions in 2022.	15%
Injury Frequency in 2022	4,76
Severity rate in 2022	0,55
Overall percentage of men and women in the company's workforce	75% / 25%
Total percentage of permanent employees in the company's workforce	96,5%
Total percentage of temporary employees in the company's workforce	3,5%
Total percentage of full-time workers in the company's workforce	97,1%
Total percentage of part-time workers in the company's workforce	2,9%
Rate of recruitment of new employees in 2022	11,5
Staff turnover during the reporting period	9,5
Average number of hours employees attended training during the reporting period	20,3
Percentage of total number of employees who participated in a performance evaluation during the reporting period	100%
Percentage of total area of employees covered by collective bargaining agreements	56%
Total number of substantiated complaints received about breaches of confidentiality of customer information, by the following categories:	
Complaints from external stakeholders that are substantiated and received by the organisation	0
Complaints from regulatory authorities	0
Total number of identified leaks, thefts, or losses of customer data	0
Percentage of employees who telework	25,5%
Percentage of total staff trained in «gestures and attitudes»	55%
Percentage of staff trained in anti-discrimination and anti-harassment policies	50%
Number of complaints and grievances from local communities	0
Percentage of production sites that are ISO 45001 certified	12,5%
Percentage of total workforce trained in first aid procedures	17,5%



5. IMPACTFUL BUSINESS

MAINTAIN A KEEN AND INVENTIVE SPIRIT

and choose reliable and virtuous partners in order
to design affordable, market-disrupting solutions.

ROADMAP IMPACTFUL BUSINESS

VISION 2030

OBJECTIVES 2027

RESULTS 2023

RESULTS 2022

EVALUATION AND SELECTION OF SUPPLIERS	Strengthen the assessment and selection of our partners by favouring partnerships with actors selected according to environmental, social and ethical criteria in order to foster an ecosystem aligned with our values.	<ul style="list-style-type: none">• 100% of suppliers that have signed SCoC• 100% of suppliers that have responded to self-assessment questionnaire• 60% of suppliers ranked by external partner	<ul style="list-style-type: none">• 32%• 12%• 23%	<ul style="list-style-type: none">• Started in November 2022• Started in November 2022• N/A
SUSTAINABLE AND RESPONSIBLE PROCUREMENT	Integrate sustainability into our procurement processes by giving preference to sustainable and responsible products, with the aim of actively contributing to environmental conservation and social well-being throughout our supply chain.	<ul style="list-style-type: none">• 80% sustainable packaging• 20% of bought recyclable materials used for production (value)	<ul style="list-style-type: none">• N/A• N/A	<ul style="list-style-type: none">• 50% of products with sustainable packaging, i.e. no foam• >10%
CYBER SECURITY	Obtaining ISO 27001 Certification	<ul style="list-style-type: none">• 100% of the scope	<ul style="list-style-type: none">• Pre-Audit	<ul style="list-style-type: none">• Hiring of a compliance manager for ISO 27001

DRIVING WITH PURPOSE AND INVENTIVENESS

At the heart of our business philosophy is a commitment to maintaining a strong spirit of inventiveness. We know that true progress is not just about breaking new ground, but also about using our inventiveness to bring about meaningful change. And that's how we do it:

• **Inventiveness:**

We cultivate a culture that thrives on pushing boundaries, seeking novel solutions, and staying at the forefront of our industry. Our inventive spirit infuses every aspect of our business, driving us to explore new horizons and make a real impact.

• **Fight against corruption and bribery:**

We are determined to fight corruption in all its forms. Corruption not only undermines trust and harms society, but also hinders meaningful progress. We actively work to prevent and combat corrupt practices within our organisation and in the wider business community.

• **Enable a sustainable value chain:**

Our commitment to impactful business extends to every stage of our operations. Enabling a sustainable value chain is a cornerstone of our approach. We recognize that responsible sourcing, ethical supply chains, and environmental consciousness are essential for lasting success.

In the following sections, we will explore our four pillars of impactful business. These pillars represent our commitment to preserving the spirit of invention, promoting ethical collaboration, practising sustainable sourcing and ensuring the security of our digital ecosystem.

• **Cybersecurity:**

In today's interconnected world, we also prioritize cybersecurity as a vital aspect of our business impact. We invest in cutting-edge cybersecurity measures to safeguard our digital ecosystem, protecting not only our operations but also the trust of our stakeholders.

Together, they drive our mission to create a better future for our company and our stakeholders.

5. IMPACTFUL BUSINESS



LEVERAGING OUR INVENTIVENESS:
THE HEART OF SFA GROUP

Here's a more detailed look at how we embody inventiveness in our operations:

• Inventiveness of sustainable product development:

Our inventive approach drives the creation of sustainable and accessible solutions that cater to a wide audience. We invest significantly in research and development to craft eco-friendly, energy-efficient products. These products not only meet customer demands but also contribute to a greener future for all.

• Inventiveness of R&D for sustainability:

Our Research and Development teams continually seek inventive ways to reduce our environmental impact. This includes optimizing processes for resource efficiency, exploring alternative materials, and designing solutions that align with our commitment to sustainability.

• Inventiveness of sustainability in operations:

Our inventive mindset extends beyond products to our everyday operations. We are relentless in finding creative ways to streamline processes, minimize waste, and reduce our carbon footprint. From energy-efficient facilities to waste reduction strategies, our inventive solutions shape a more sustainable operational landscape.



FIGHTING AGAINST CORRUPTION
AND BRIBERY: UPHOLDING ETHICAL
BUSINESS PRACTICES

At SFA Group, our unwavering commitment to ethical business practices extends to the fight against corruption and bribery. We recognize that corruption not only undermines trust but also hinders meaningful progress. Here's a more detailed look at how we actively work to prevent and combat corrupt practices within our organization and in the broader business community.

• Anti-Corruption program:

Our Anti-Corruption Program is at the core of our commitment to combat corruption and bribery. It focuses on our Anti-Corruption Code of Conduct, which provides our employees with a guide for identifying and addressing potential corruption cases. This code covers topics such as bribery, gifts and invitations, donations and philanthropy, political contributions, facilitation payments, and conflicts of interest. The code is publicly accessible on the SFA Group website.

• Education and awareness: promoting a culture of integrity:

We place a strong emphasis on training and raising awareness among our employees regarding integrity and anti-corruption. Employees in areas such as the purchasing department and members of the CSR and ethics committees receive regular training. To raise awareness among all employees, we have developed informative videos that are accessible to everyone.

• Reporting mechanism - SpeakUp:

To encourage transparency and accountability, we have established a confidential reporting tool known as «SpeakUp.» This tool allows employees and stakeholders to report any suspected incidents of corruption or bribery. Reports can be made anonymously if desired, ensuring that individuals can speak up without fear of retaliation. We take these reports seriously and ensure that they are thoroughly investigated and addressed.

• Progressive efforts in internal audits with suppliers:

Our procurement team is actively and progressively increasing their efforts in conducting internal audits with our suppliers to ensure compliance with our Anti-Corruption Code of Conduct. These audits serve as a proactive measure to identify and address any potential issues related to corruption and bribery within our supply chain.

• Handling violations: ensuring accountability and fairness:

In the event of violations of our anti-corruption program, we take appropriate actions, with the Ethics Committee overseeing these measures. We have established clear procedures for the preliminary review and investigation of violations, transparent communication with all relevant stakeholders, and the implementation of corrective measures, including sanctions when necessary. Our goal is to ensure an honest and fair working environment for all our employees.

By actively addressing corruption and bribery, we not only protect our organization's reputation but also contribute to the broader goal of creating a business environment characterized by integrity and fairness.

5. IMPACTFUL BUSINESS

ENABLE A SUSTAINABLE VALUE CHAIN

In a world increasingly affected by the impacts of climate change and resource scarcity, sustainable procurement has become a key concern for companies. The SFA Group has embraced this challenge and in 2022, intensified its focus on sustainable procurement.

• Self-assessment questionnaires for suppliers:

The SFA Group has also developed self-assessment questionnaires and distributed them to its suppliers. These questionnaires allow suppliers to evaluate their own sustainability practices and procedures. This approach promotes transparency and self-reflection among suppliers and helps identify potential areas for improvement.

• Signing of the supplier code of conduct:

A significant step toward sustainable procurement was the introduction of the Supplier Code of Conduct. The code emphasizes the importance of environmental protection, ethical behavior, working conditions, and social responsibility.

• Greenly: sustainability assessment of suppliers:

Collaborating with Greenly, a recognized platform for environmental assessment and sustainability management, the SFA Group developed a comprehensive supplier assessment program. Key steps include:

- Identification of key partners: initially, key suppliers were identified for assessment due to their strategic importance to the SFA Group.
- Environmental impact assessment: the environmental impacts and sustainability efforts of suppliers were assessed to gain valuable insights into their practices.
- Development of improvement Plans: suppliers were given the opportunity to propose feasible plans to enhance sustainability, covering areas such as reducing environmental impacts, improving quality, and achieving cost efficiency.
- Collaborative decision-making: a joint discussion took place between the SFA Group and its suppliers to strike a balance between implementing proposed changes and aligning with business objectives.
- Approval and implementation: the agreed-upon measures to mitigate risks and enhance sustainability were approved and implemented.



• Sustainable packaging:

The SFA Group has also taken steps to reduce its ecological footprint related to packaging. A majority of the cartons sourced by the SFA Group are made from sustainable materials and are certified with the FSC label (Forest Stewardship Council). This label ensures that the materials used come from environmentally friendly and sustainable forestry.

• Current progress:

The SFA Group has made significant strides in implementing sustainable procurement practices and strengthening partner responsibility. Current key performance indicators (KPIs) show that

- 32% of suppliers have confirmed compliance with the SFA Group's Supplier Code of Conduct: this indicates the successful adoption of ethical and sustainable business practices by a substantial portion of suppliers.
- 45% of suppliers have received the self-assessment questionnaire: this questionnaire allows for a more in-depth evaluation of suppliers' sustainability efforts and demonstrates an increased commitment to transparent self-assessment.

These efforts reflect the SFA Group's commitment to its customers, partners, and the environment, demonstrating that sustainable procurement is a path to effecting positive change while delivering high-quality products and services.

CYBERSECURITY: SAFEGUARDING OUR DIGITAL ECOSYSTEM

We invest in cutting-edge cybersecurity measures to safeguard our digital ecosystem, protecting our operations and also the trust of our stakeholders. Here are some key approaches to ensure the security of our digital ecosystem.

• ISO 27001:

We want to be certified in 2024 to establish, to organize, to implement, to monitor, and to maintain our information security management systems. Our goal is to identify, and manage risks effectively, consistently, and measurably.

• Comprehensive risk assessment:

We regularly conduct thorough risk assessments to identify potential vulnerabilities in our digital infrastructure. This proactive approach allows us to address weaknesses before they can be exploited.

• Advanced threat detection:

Our state-of-the-art threat detection systems, coupled with our PSSI, continuously monitor our networks for any unusual activities. This enables us to detect and respond to potential cyber threats in real-time.

• Employee sensibilisation:

We believe that cybersecurity is a collective responsibility. All employees receive training on cybersecurity best practices to reduce the risk of human error.

• Data encryption:

To protect sensitive data, we employ robust encryption techniques both in transit and at rest. This ensures that even if unauthorized access occurs, the data remains secure.

• Regular security audits:

We conduct regular security audits and penetration testing to evaluate the effectiveness of our cybersecurity measures. Any vulnerabilities identified are promptly addressed.

• Incident response plan:

In the event of a cyber incident, we have a well-defined incident response plan in place. This plan includes steps for containment, mitigation, and recovery to minimize any potential impact.

Our commitment to cybersecurity is reflected in our investments in this critical area. Currently, 10% of our IT budget is allocated to cybersecurity measures, ensuring that we have the resources needed to protect our digital assets and maintain the trust of our stakeholders.

Additionally, as part of our ongoing cybersecurity efforts, we are continually improving our systems and practices to adapt to evolving threats. We view cybersecurity as an integral part of our sustainability journey, recognizing that digital security is essential for the long-term success of our business.

A glimpse into the future

The SFA Group is committed to continuing its efforts toward sustainable procurement, the fight against corruption and bribery, and robust cybersecurity. The steps taken to implement the Supplier Code of Conduct, introduce self-assessment questionnaires, collaborate with Greenly, assess suppliers, enhance our cybersecurity measures, and promote sustainable practices are examples of the SFA Group's dedication to a sustainable future. We recognize that these four pillars are interconnected aspects of our business's impact, working together to create a better future for our company and our stakeholders.

KPIS

Indicators	2022
Percentage of Ethics Committee members trained on anti-corruption	100
Percentage of staff sensitized on Anti-Corruption	44% (as of 13.11.23)
Percentage of sustainable packaging	50%
Percentage of staff sensitized to cyber-security	95%
Percentage of suppliers that have responded to self-assessment questionnaire	16,5%



6. GOVERNANCE

ENSURE THAT BUSINESS ETHICS

are at the heart of responsible growth.

GOVERNANCE STRUCTURE

Management and Corporate Governance: Board of Directors

Powers, responsibilities and functioning:

The management board plays a pivotal role in our organization, providing leadership, decision-making, and oversight. At the date of this report, the management board is composed of the following two managing directors.

The company's registered address, 41bis Avenue Bosquet, 75007 Paris, France serves as the business address for all managing directors.



Arnaud CORBIER
CEO

Arnaud Corbier began his career as an engineer with Dupont de Nemours, Specific Plastics division, then moved to the mining industry with Rio Tinto, Talc Operations, first in Sales and Marketing, then as a mining site General Manager.

In November 1999, Arnaud joined SFA as Deputy CEO, and since the year 2000 has served the Group as CEO.



Stéphane HAREL
Deputy CEO

Stéphane Harel began his professional journey as a financial and accounting auditor with PWC in Paris. In April 2003, he transitioned to the SFA Group, initially serving as a financial controller. Before ascending to the role of Deputy CEO in 2012, Stéphane undertook multiple high-level roles within the group. His diverse positions included serving as an ERP project leader, heading the export division, and managing the SFA Rus subsidiary during a three-year tenure as the country manager for Russia.



ROLE OF THE BOARD/TOP MANAGEMENT

The primary duties of the management board encompass formulating the company's strategic direction and overseeing its daily operations. Collectively, the management board holds the authority to act on the company's behalf. Moreover, the two managing directors are empowered to represent the company when they act in conjunction.

The board confirms and ensures that our goals align with our values, corporate purpose, and stakeholder expectations. This ensures that sustainability is integrated into our strategies, fostering an approach that considers economic, social, and environmental aspects.

SUPERVISION OF SUSTAINABILITY REPORTING

Transparent communication is crucial for maintaining stakeholder trust. Our highest governing body, represented by our board, oversees the accuracy, completeness, and relevance of our sustainability reports. This guarantees that our stakeholders have a comprehensive view of our performance and progress in the realm of sustainability.

MANAGING RISKS ASSOCIATED WITH THE BUSINESS MODEL

The business landscape is evolving, and risks related to sustainability issues are gaining prominence. Therefore, our top management ensures that risks associated with our business model are regularly assessed and factored into our decision-making processes. This proactive approach allows us to identify innovation opportunities, anticipate potential challenges, and adapt our business model to align with emerging sustainable practices.

STRUCTURE AND RESPONSIBILITIES OF SUSTAINABILITY GOVERNANCE

CSR Steering Committee

Composition

- Stéphane HAREL
- Christina MARTIN SANCHEZ
- External CSR consulting experts

Role and responsibilities

This committee is responsible for the conception, introduction, and implementation of the CSR approach, with a special focus on environmental concerns, as well as human and labor rights.

CSR COMMITTEE

Composition

- Arnaud CORBIER
- Stéphane HAREL
- Aline BLANQUART
- Bruno CHIARETTA
- Christina MARTIN SANCHEZ
- Diane CEUZIN
- Eric MARCHAND
- Erik WORMUTH
- Jacques LAMOUREUX
- Michele SANTIN
- Vincent MIDY

Role and responsibilities

The CSR Committee amends and validates the successive stages of the approach proposed by the CSR Steering Committee, ensures its implementation across all units within the Group, and ensures its communication and understanding internally and externally.

LOCAL CSR REPRESENTATIVES

Composition

1 local representative per Business Unit (industrial sites and subsidiaries)

Role and responsibilities

These representatives are responsible for ensuring the implementation of the CSR approach in their respective Business Units.

6. GOUVERNANCE

SFA GROUP ETHICS COMMITTEE

The SFA Group Ethics Committee is crucial for implementing our Ethics Charter and ensuring ethical standards in our organization. This committee consists of the following members:

- Arnaud CORBIER
- Stéphane HAREL
- Aline BLANQUART
- Christina MARTIN SANCHEZ
- Diane CEUZIN
- Florent NGUYEN
- Frederic CARRICABURU

Responsibilities

The responsibilities of the Ethics Committee include acknowledging receipt of alerts sent to the Ethics Committee, analyzing if alerts are admissible, making requests for additional information, referring to the relevant department(s) to assist in the conduct of internal investigations following an alert, the alert of its follow-up within 90 days, and informing the person who is the subject of the alert.

As part of their duties, the members of the Ethics Committee shall comply with the SFA Group’s internal documentation relating to the whistleblowing and anti-corruption system, including:

- the anti-corruption code of conduct;
- the whistleblower procedure;
- the whistleblower and anti-corruption reporting procedure.

The SFA Group Ethics Committee can be reached at the following address:
ethics@SFAGroup.com



Warnings and grievance mechanisms

We believe in the power of free speech and in a shared responsibility to maintain a safe and ethical work environment. The SpeakUp culture encourages raising concerns about unethical or illegal behaviour in confidence and without fear of reprisal.

We have established a process, formalised in the SFA Group Whistleblower Procedure, which enables all our employees to report suspected violations, particularly in relation to human and labour rights, the environment and corruption.

This procedure is designed to ensure that legitimate concerns are addressed in an appropriate, anonymous and confidential manner.

To ensure the integrity of our entire value chain, it is not limited to internal matters. Alerts can also be raised with our suppliers and other business relationships, be they customers, partners or other stakeholders.



ETHICS

Ethics charter

Our Ethics Charter forms the foundation of our corporate philosophy. It embodies our fundamental principles and guides the conduct of every individual within our corporation, regardless of their level of responsibility. Our Ethics Charter is not just a collection of principles; it serves as a compass that leads us to decisions aligned with human dignity, fair labor practices, and environmental protection.

Our Ethics Charter extends beyond our internal operations. It serves as a guide for our customers and partners worldwide.

In 2024, we will take a significant step forward by incorporating issues such as human rights, labor rights, and environmental protection into our code of conduct. This initiative demonstrates our proactive approach to ensuring the alignment of our business activities with the best ethical practices.

COMPLIANCE WITH LAWS AND REGULATIONS AND ETHICS IN SALES

We ensure that our company complies with all relevant laws and regulations, whether in the area of environmental regulations, data privacy, or occupational safety guidelines. Furthermore, ethics in sales is an integral part of our business practices. We maintain a policy of zero tolerance for bribery and corruption in sales.



RISK MANAGEMENT



RISK MANAGEMENT

Execution of the risk assessment for corruption prevention

The SFA Group has always been committed to promoting ethical business practices and ensuring that corruption is avoided in all its business activities. To fulfil this commitment and meet legal requirements, the SFA Group has decided to conduct a comprehensive risk assessment for corruption prevention.

COMPLIANCE WITH SAPIN 2

SAPIN 2 is a French anti-corruption law that requires companies to implement anti-corruption measures and adhere to strict requirements regarding transparency and business ethics. The SFA Group is aware of its responsibility and is committed to fully complying with the provisions of SAPIN 2. Our organization actively works to strengthen anti-corruption efforts in our business practices and ensure that we consistently adhere to the highest ethical standards.

EXTERNAL RISK ASSESSMENT

To ensure that our risk assessment is objective and comprehensive, we have chosen to collaborate with an external partner, Pythagore Conseils. They are a recognized company with extensive experience in risk assessment and the implementation of anti-corruption measures.

PROJECT PHASES

Our risk assessment for corruption prevention spans several phases:

1 Mapping of corruption risks:

We opted for a comprehensive mapping of corruption risks to ensure that no aspect of our business operations is overlooked. This mapping was conducted by Pythagore Conseils using a specific methodology.

2 Situation report and general diagnosis:

At this stage, we are conducting a thorough analysis of our existing anti-corruption mechanisms, including our internal regulations, the anti-corruption code of conduct, the ethics charter, the procedure manual, delegation mechanisms, and the disciplinary regulations.



3 Assessment of procedures:

We are evaluating our contract validation, monitoring of outsourced services, due diligence procedures for business partners, hierarchical supervision procedures, delegation mechanisms, and the results of control actions and internal audits.

ONGOING COMMITMENT

The SFA Group continues to pursue the goal of upholding the highest ethical standards and implementing anti-corruption measures in its business practices. The ongoing risk assessment for corruption prevention is a crucial step in this direction. We are committed to using the recommendations and findings from this assessment to strengthen our commitment to transparency, ethics, and the prevention of corruption.

KPIS

Indicators	2022
Number of incidents of corruption	0
Total number of sites assessed for corruption risk	3
Percentage of Ethics Committee trained in anti-corruption measures	100%
Percentage of purchasers trained in anti-corruption measures	80%
Percentage of employees who have been communicated the organisation's anti-corruption policies and procedures	100%
Percentage of employees who have received anti-corruption awareness training	100%

7.

APPENDICES

SCOPE AND METHODOLOGY OF THE REPORT

This document is a voluntary sustainability report published on 30 November 2023. It provides stakeholders of the SFA Group with a transparent overview of the sustainability, governance and performance aspects of the SFA Group as a whole.

SCOPE

The report has been prepared at the SFA Group's head office. The scope of consolidation includes the activities of the head office and the four business areas of the Group, which are organised into 28 subsidiaries. These subsidiaries are present in 28 countries on all continents.

DATA ASSURANCE

The report contains both qualitative and quantitative data. The information presented is mainly based on actual raw data.

We collect our data from a variety of sources, including our internal systems, operational data and data from partners and suppliers. Each data source is carefully assessed for credibility and relevance.

In some situations, it has been necessary to use estimates, assumptions or even extrapolations of data that cover less than the full scope of the report. Although we strive to keep these instances to an absolute minimum, we cannot guarantee absolute completeness and accuracy of our data.

The preparation of our sustainability report required internal controls as well as reviews at various stages of the reporting process.

In addition, we follow an evidence-gathering approach for the relevant data, which is systematically archived on our servers. An example of this process is the invoices from our electricity suppliers, which serve as evidence of our electricity consumption and form a basis for calculating our carbon emissions. This retention of supporting documents justifies the assurance of the accuracy of our data.

REPORTING PERIOD AND FREQUENCY

This report covers the SFA Group's financial year 2022 unless otherwise stated. It is produced every year.

The targets relate to a 2022 benchmark of the SFA Group's performance



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