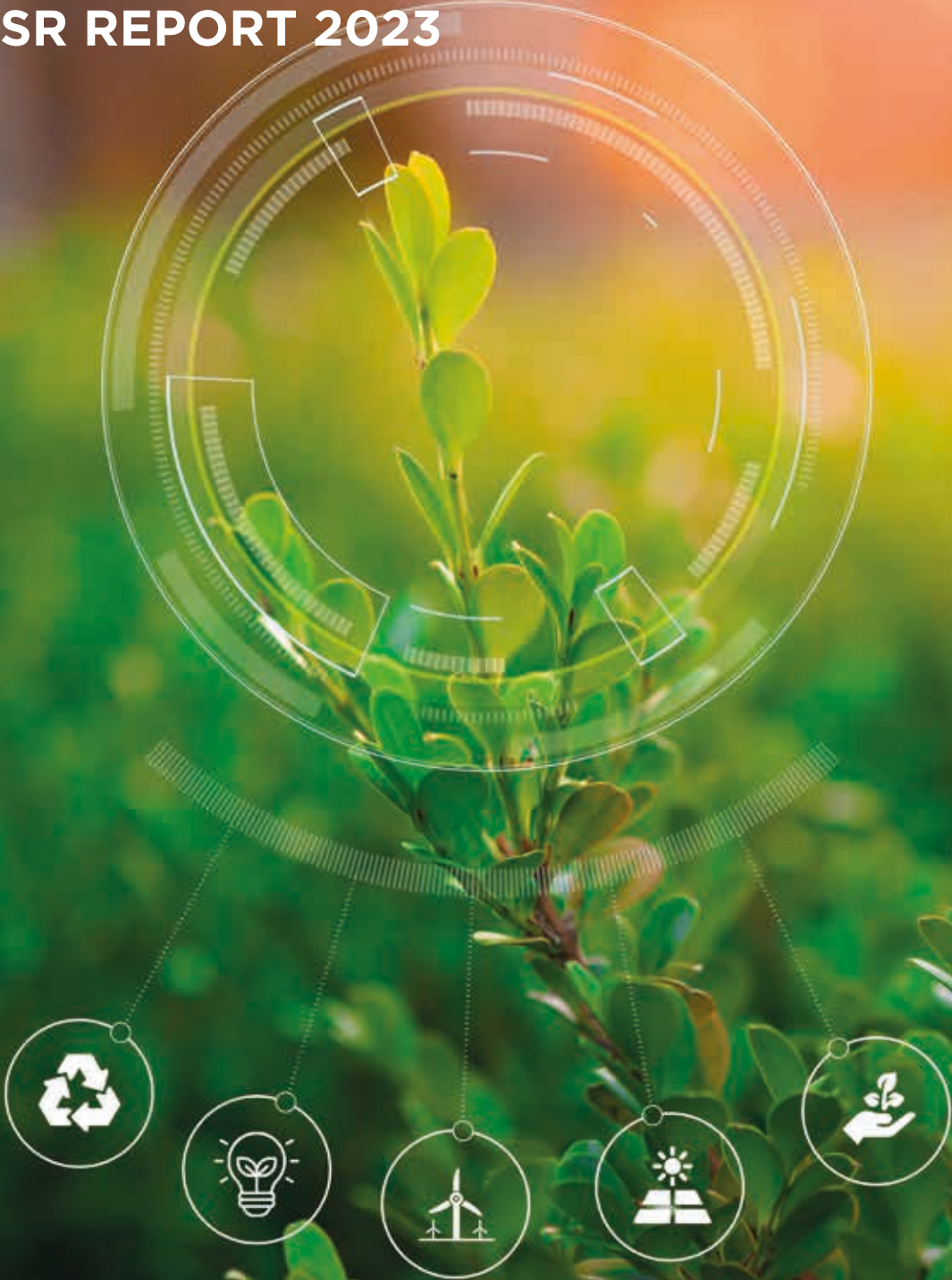


EXTRA-FINANCIAL PERFORMANCE STATEMENT

# CSR REPORT 2023







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1

## SPHERE Group business model

The SPHERE Group is fully aware of its social, societal and environmental responsibility and has long been working to improve its impacts in these areas.

This Statement of Non-Financial Performance (SNFP) is the format of the analyses and efforts made by the Group, as required by the CSR Directive, which has applied to the Group since the 2018 period.

**The main activity of the SPHERE Group is to design, produce and market bags and packaging used by the general public, retailers or professionals, such as waste bags, transport bags, aluminium foil and trays, plastic film and paper for food contact, etc.**

These products are mainly made of plastic (mainly polyethylene, recycled or virgin, or biosourced and/or compostable biomaterials), but also of paper, vegetable fibres (e.g. bagasse) or aluminium.

SPHERE also has other activities such as: production of biosourced compostable resins, printing on film and paper, distribution of cosmetic products, gloves, aprons, disposable tableware, etc.

These products are manufactured by SPHERE for around three-quarters of revenue, which totalled €798m in 2023.

All the Group's production remains concentrated in Western Europe. In addition, more than 97% of revenue is generated there.

SPHERE is an independent Group, created in 1976, which has grown steadily, while remaining a "human-sized" mid-cap with private ownership, the majority of which has remained in the hands of its founders since its creation. This structure has enabled the Group to deploy a long-term vision focused on innovation for responsible packaging.

The European leader in its sector, SPHERE aims to consolidate its position by providing ever more innovative environmental solutions with a reduced environmental impact.

Most of the value created has always been reinvested in the development of the Group, both the economic development of the company and the social development for employees. The Group's French roots (some product ranges are certified "Origine France Garantie") and European roots are very strong, underpinned by the certainty that local investment and good organisation mean that we can avoid relocating, by using European skills and supporting the European economy where our customers and consumers are based.

The interactions of SPHERE's activities are mainly with its employees, customers, the Environment and its suppliers, even though the Group participates in several professional organisations (at European, national and local levels) and is in contact with the European and national public authorities to contribute to the development of regulations concerning its products. SPHERE is a member, among others, of the French professional associations ELIPSO, the Association Française des Compostables Biosourcés (AFCB, formerly Club Bioplastiques), Chimie du Végétal (ACDV), European Bioplastics and the National Institute of the Circular Economy (INEC) and the SRP (union of plastic regenerators).



## Interactions with employees

In 2023, SPHERE's average annual workforce was 1,621 people, of whom approximately 57% were in France, the balance being almost exclusively located in Western Europe.

Human resources management is essentially decentralised under the authority of the subsidiary managers, who manage this matter locally in the spirit of the Group's principles.

The development of the Group's employees is supported by the desire for local production, as well as by the deep sense of its environmental responsibility that drives SPHERE.

## Interactions with its customers

SPHERE distributes its products very widely:

- through multiple distribution channels: mainly mass retailers, but also resellers, e-commerce, local authorities and small businesses;
- under different types of brands: national brands, retail brands, premium-price brands or even without a brand, for example to commissaries.

SPHERE ensures that it is active in all forms of distribution and studies the medium-term evolution of the various distribution models.

The Group supports its customers not only by providing them with products adapted to their needs, but also by advising them on their assortments and on changes in markets and regulations.

In addition, as part of its CSR strategy and in anticipation of implementation of the CSRD, the Group launched a dialogue exercise in 2023 with its stakeholders, including customers. This dialogue takes place in the first half of 2024.



**1,621**  
employees at  
SPHERE, with  
approximately 57%  
in France.

## Interactions with the environment

SPHERE has distinguished itself from other players in the European market by the place of the environment at the heart of its development strategy and business model for more than two decades.

The major societal challenges and trends that influence the development of SPHERE are mainly the environmental concerns that are changing rapidly, through regulations as well as cultural or generational influences.

SPHERE's operating method is centralised for the environmental policy, which is essentially decided and implemented by the general management and implemented by the subsidiaries.

SPHERE ensures that its value creation goes as far as possible through products that provide an environmental advantage. For example, more than half of the materials (fossil, recycled or virgin, or biosourced) used by the Group are recycled materials, and the revenue generated by the Group in compostable bio-sourced plastics represents more than 60% of that of products made from fossil plastics.

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*SPHERE has distinguished itself from other players in the European market by the place of the environment at the heart of its development strategy and business model for more than two decades.*  
”

“

*SPHERE ensures that its value creation goes as far as possible through products that provide an environmental advantage.*

”

## Interactions with its suppliers

Purchases of raw materials come from all over the world (mainly from Europe, but also from Asia).

SPHERE's main suppliers are suppliers of raw materials. They are located all over the world for virgin materials, but mainly in Europe for recycled materials.

Overall, the Group is convinced that its future lies in maintaining its strong values and continuing to innovate to provide more environmentally friendly packaging solutions.



# 2



## SPHERE Group's risk analysis

The SPHERE Group has carried out an analysis of its non-financial risks, the method of which is described in the methodological note at the end of this document.

This report focuses on the main risks: impacts on employees and environmental impacts, even though the SPHERE Group also deals with other risks with answers explained in this report.

This analysis and its conclusions were mainly worked on with General Management, Human Resources and Sustainable Development.

The policies, action plans and results associated with the main social and environmental risks are detailed page 13 to 23 and other societal information is presented page 24 in addition, without these having been identified as priority risks.

## Impacts on employees

### Occupational health and safety of employees (injuries, occupational illnesses, etc.)

Each SPHERE company is responsible for and closely monitors the proper application of regulations and the development of occupational accidents or illnesses.

The outbreak of the Covid-19 crisis at the very beginning of 2020 required the Group's response and adaptation capacities, which, in response, mobilised all its resources, skills and expertise to reconcile the protection of the health and safety at work of its employees with the maintenance of a high level of activity. The vital role played by the Group in coordinating and guiding local actions ensured overall consistency in the activities of the subsidiaries and strengthened the confidence of staff members in the effectiveness and consistency of its decisions.

### Adequacy of internal skills

The SPHERE Group constantly keeps in mind the gradual ageing of its population, its need to adapt to changes in the business model and that of the resulting professions and qualifications.

### Attractiveness of SPHERE

The SPHERE Group is working to reconcile the decentralisation inherent in its operating model with its concern to maintain its attractiveness through unifying remuneration practices. It is based on external communication that meets the aspirations of an increasingly large part of the population and thus contributes to strengthening its reputation and attractiveness. In addition, the CSR strategy adopted in 2023 identifies the issue of attractiveness as an important focus for the coming years. Finally, as part of the strengthening of the army-nation link as provided for by law, SPHERE is currently carrying out an inventory of initiatives promoting engagement on reserves.



*The CSR strategy adopted in 2023 identifies the issue of attractiveness as an important focus for the coming years.*



## Impacts of products on the environment

The majority of SPHERE products are single-use plastic, aluminium or paper.

Historically, their main raw material was virgin polyethylene from oil, which is a fossil material with a high carbon content.

At the end of their life, they are normally put into a controlled waste treatment or recovery stream, but if they escape, they become wild waste and remain in the wild for a long time.

This is why the SPHERE Group has a very proactive environmental policy, in particular:

- by working for more than 25 years in the development of more environmental solutions;
- by favouring raw materials with the most positive impact on the environment over the entire product life cycle, in particular by aiming to limit as much as possible the use of virgin polyethylene of fossil origin in favour of recycled polyethylene, polyethylene of vegetable origin or biosourced and compostable material;
- by monitoring its electricity consumption, which is its main energy used;
- by developing ISO 14001 (environmental management) certifications for its production sites.



“

*The SPHERE Group has a very proactive environmental policy.*

”

## Risk-action plan-indicator summary table

Risk	Action plan	Tracking indicator	Page
<b>Impacts on employees</b>			
	Ensuring accurate knowledge of the Group workforce	Total headcount at 31 December and breakdown by socio-professional category	16
		Number of hours worked in theory and practice	14
	Safety training	Number of hours spent	14
Health and safety at work	Investment effectiveness monitoring and safety training	Frequency rate of workplace and commuting accidents	14
		Severity rate of workplace and commuting accidents	
	Monitoring of absenteeism	Absenteeism rate (illness and accidents)	14
Suitability of skills in intern	Training actions using results of internal professional interviews	Number of people trained in safety	16
		Number of training hours in the safety	16
		Average number of training hours per employee	16
		Volume of training hours	16
		Number of people trained (excluding safety)	16
Attractiveness of SPHERE	Developing the reputation of SPHERE  Fight against discrimination	Environmental indicators, training indicators, professional equality indicators, etc.	16
		Percentage of women	
		Number of disabled employees	
		Budget to facilitate the integration of the disabled	16
<b>Impacts on the environment</b>			
	Strengthening the environmental management system	Percentage of sites certified ISO 14001	20
	Contributing to a more circular economy by working on what in product life cycle analysis has by far the most impacts: raw materials		
	Reducing the use of virgin fossil polyethylene	Change in the share of virgin fossil polyethylene in the Group's consumption of plastic materials	21
	Increasing the use of recycled polyethylene	Change in the share of recycled polyethylene in the Group's consumption of plastic materials	21
	Developing the use of biosourced	Change in the share of plant-based materials in the Group's consumption of plastic materials	21
	Developing compostable products to facilitate the recovery of all biowaste	Change in the share of compostable materials in the Group's consumption of plastic materials	21
	Limiting the CO2 impact:		
	• Reduction of electricity consumption while taking into account the installations and product mix already in place	Change in electricity consumption per tonne extruded	21
	• Purchase of green electricity when economically possible	Change in the share of contractually renewable electricity	21
	• Limiting the CO2 emissions of its activity	Change in tonnes of CO <sub>2</sub> per million euros of revenue	23

# 3



## Social, societal and environmental information

Through the social aspects of its interventions, the SPHERE Group is particularly keen to take into account two major concerns:

- ensuring a safe and healthy working environment for its staff (*part 1*);
- acquiring the human resources that best support their needs and development prospects (*part 2*).

In addition to these concerns, SPHERE is attentive to combating all forms of discrimination (*part 3*).

## Policies, action plans and results associated with priority social risks

### Impact of the activity on the health and safety at work of SPHERE employees

The SPHERE Group manages entities in which the production tools and the associated working conditions present measured risks for health and safety at work, as evidenced by the indicators relating to workplace and commuting accidents.

The frequency rate for 2023, with 25.22 lost time accidents per million hours actually worked, is down compared with the rate of the previous year (36.19 in 2022). The severity rate also decreased to 1.68 in 2023 compared with 1.75 in 2022.

This severity rate of 1.68 in 2023 continues to benefit from the moderation in the severity rate of foreign subsidiaries: in 2023, the severity rate of French subsidiaries was 2.70, while that of foreign subsidiaries was 0.73.

- In 2023, we noted a decrease in the number of workplace accidents (129 vs. 149 in 2022). The number of calendar days lost due to workplace accidents also decreased, with 219 fewer days in 2023 than in 2022.

Activity continues to grow, as demonstrated by the increase in the number of hours actually worked (+8% between 2021 and 2023).

In 2020 and 2021, in the midst of the Covid-19 crisis, all the Group's staff were able to respond, under the leadership of a management team that, through its strong involvement in preventing and combating the pandemic, had managed to develop a climate of trust, then relayed by all the subsidiaries, conducive to the continuation of the Group's activity, which was then confronted with a sharp increase in demand for our products.

Continued strong activity in 2023 was accompanied by continued development of shift work: 876 people worked shifts in 2023.

In 2023, across the Group, positions operating in 5x8 (415 in total) represented 48.60% of all positions in work-study teams, up from 44.3% in 2020.

While the responses provided by the SPHERE Group in the fight against Covid-19 largely contributed to the establishment of a climate of trust among the Group's employees, the particular attention paid to safety training also played an important role, both through initial training actions (first aid, gestures and postures, fire and evacuation, etc.) and through regular recycling actions (according to official definition). Taking into account the arduous nature of tasks has led a certain number of subsidiaries to launch investment projects aimed at preventing occupational illnesses and maintaining production activity. In 2022, we noted the practices of handling assistance or reducing tasks that continued in 2023, with, for example:

- At Jet'Sac, the installation of cardboard transport robots between processing machines and the palletising sector. At the same time, an automatic palletiser was activated in this area.
- Adjustments of workstations for workers who are recognised as disabled workers at Schweitzer, in connection with the Occupational Health Department.
- At PTL, one-third of the lines are now equipped with automatic palletisers to halve the load carried by operators.
- At SPHERE NL, two automation projects have been implemented. The first project concerned the automation of packaging and palletisation of lines for bin bag manufacturing lines. The second automation project involved a shredder for the recycling service. These projects reduce the physical load of personnel and enable better operation of the plant.

The number of hours of safety training was 4,478 in 2023. It was down by 1,688 hours compared with 2022. However, the number of employees trained in safety increased, with 941 people in 2023.

While the number of employees trained increased, the training budget dedicated to safety decreased (€14k between 2022 and 2023).

The major explanation for these two contradictory trends was in the strong development of training micro-modules, which are inexpensive, but cover a large sample of the population.

Lastly, as an indirect consequence of the pandemic crisis, some of the Group's subsidiaries have since 2022 developed teleworking practices, first in the form of a trial, then in a more organised manner insofar as their activity could be suitable for them. Although difficult to measure, a reasoned practice of teleworking seems to contribute to health and a certain quality of life at work.



# 1/3

**of the lines equipped with automatic palletisers to halve the load carried by operators at PTL.**

### Monitoring of absenteeism indicators

Absenteeism indicators are constantly monitored by the SPHERE Group companies. Multifactorial by nature, they are regularly cross-referenced with data relating to workplace accidents, occupational illnesses, work organisation methods, as well as changes in the average age of employees.

In 2023, the overall absenteeism rate was 5.57% (short- and long-term sick leave and sick leave due to workplace or commuting accidents).

This rate confirms a clear improvement on 2022 (6.74%) and previous years (2020: 6.12% and 2019: 6.66%) and remains an important element of the Group's social performance.

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***SPHERE is supplementing its need for the qualifications required to renew and develop its skills by developing approaches that can be likened to pre-recruitment.***  
”

### Continuous search to adapt SPHERE's human resources to the needs brought about by its business model

SPHERE's ambitions for both organic and external growth of its activities and the markets in which the Group operates require the availability of human resources adapted to the continuity and development of the industrial and commercial needs brought about by its business model.

In concrete terms, this involves increasing the skills of staff, anticipating changes in the age pyramid and making it more attractive.

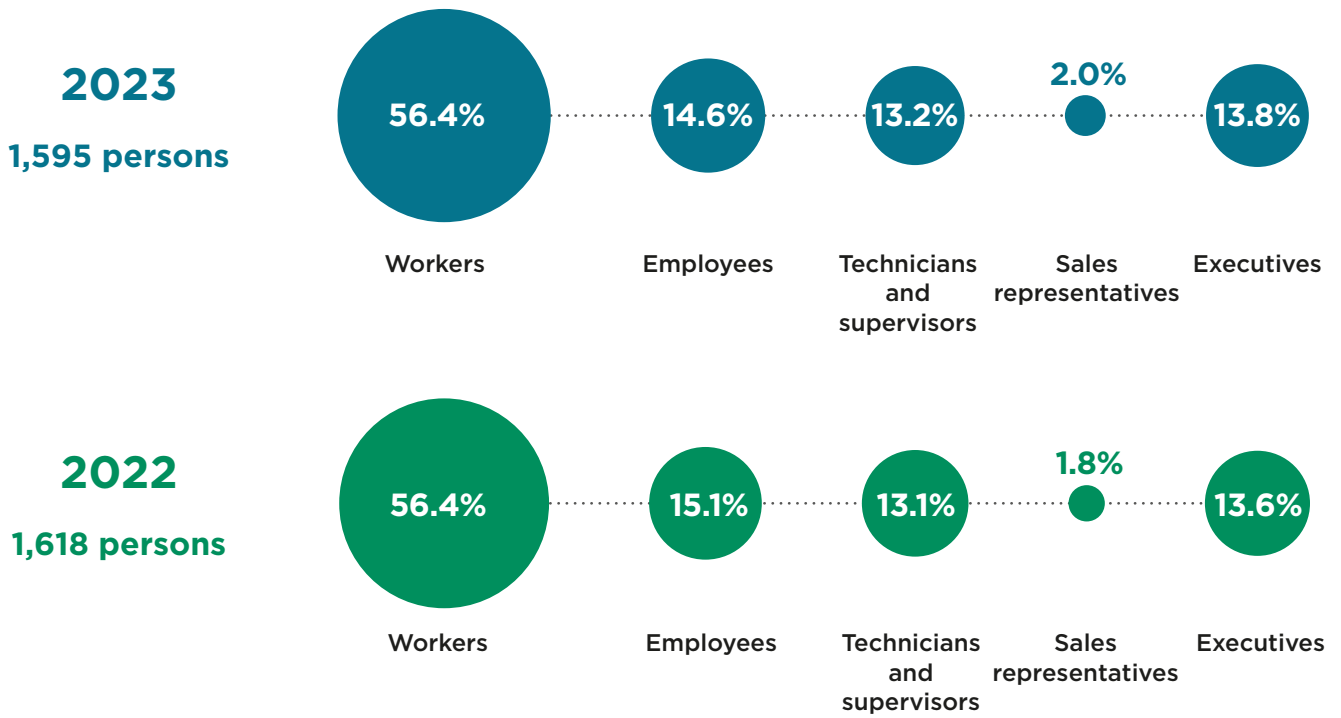
We are supplementing this need for the qualifications required to renew and develop skills by developing approaches that can be likened to pre-recruitment: apprenticeships – which are constantly being developed within the Group – and work experience placements, or even, further upstream, by targeting the apprenticeship tax budgets paid to secondary schools, universities and higher education colleges.

At 31 December 2023, the SPHERE Group employed 1,595 people within the scope in question, more than half of whom were manual workers (56.4% of the total). 911 people were employed in France and 684 outside France, i.e. a breakdown of 57%/43%, reflecting the continuation of a gradual trend towards a rebalancing of the workforce between France and the other countries making up the Group, particularly with the development of Spain.

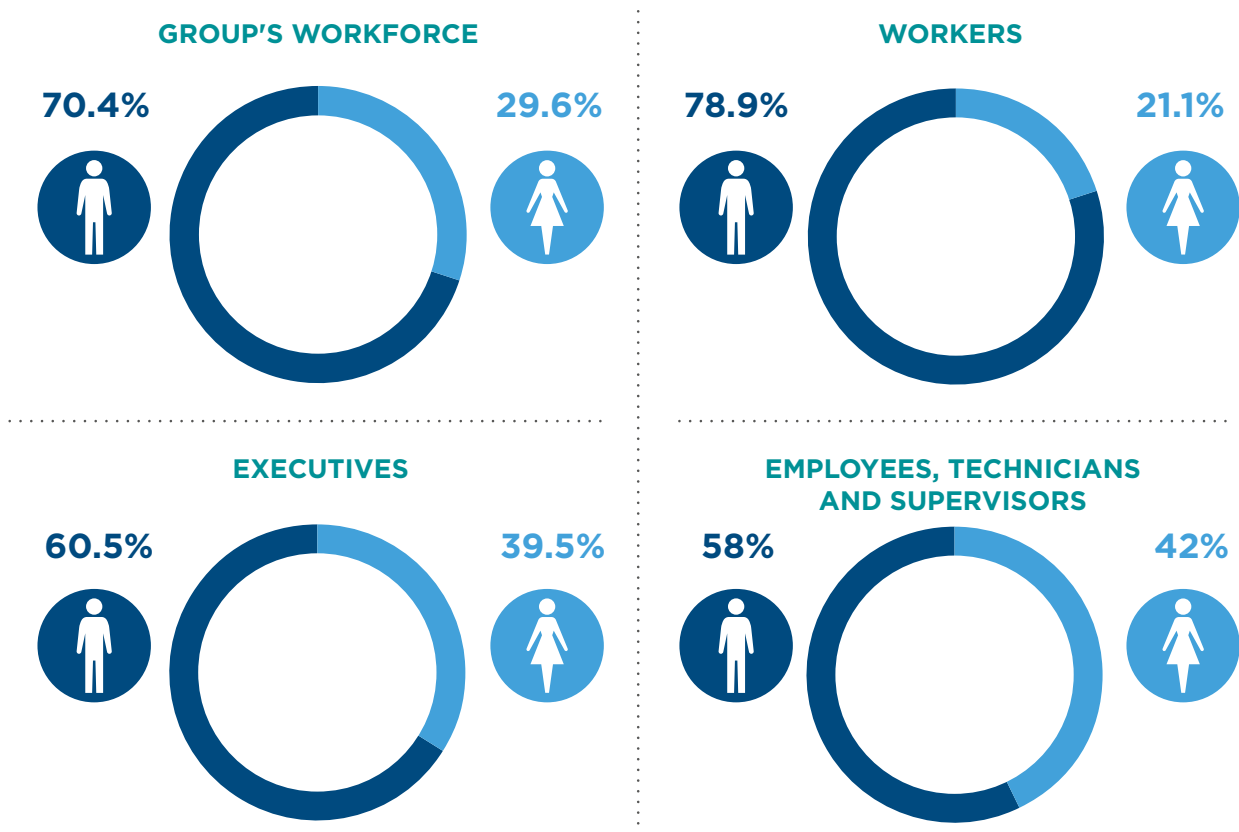
One year earlier, at 31 December 2022, the Group's total workforce was 1,618 people, including 921 in France and 697 abroad.



Breakdown of headcount by category at 31/12/2023



Distribution of women in the Group's workforce



Women represent 29.6% of the Group's workforce and 39.55% of the executive population, 21.1% of blue-collar workers and 42% of employees, technicians and supervisors.

The number of people trained will stabilise in 2023 compared with 2022.

Non-safety training, in the overall training effort of the SPHERE Group, now accounts for nearly four-fifths of costs, starting from a little over 60% in the previous two years. This trend is explained by a combination of different factors: taking into account the ageing of the population and the need to prepare for the renewal of the workforce, in particular by maintaining and developing business expertise (e.g. J&M Plast and Schweitzer for extrusion), a desire to develop managerial practices (e.g. SPHERE France and Biotec), supporting a change of site (SPHERE Spain), etc.

Of course, as noted in point 1.7.3.1.1., safety training remains an essential priority of the Group's action because of the weight of its industrial activities.

Based on the average workforce for each year, the average number of training hours was 7.95 hours per person in 2023 compared with 9.02 hours per person in 2022.

Lastly, the Group is developing a dynamic approach to enhancing its attractiveness through its compensation and social security coverage policy and does not hesitate, where necessary, to use legal incentives likely to benefit a large proportion of its employees. Thus the SPHERE Group had seized the option offered by the orders published in the context of the 2020 health emergency law to allocate bonuses in almost all French subsidiaries to encourage work during the first wave of lockdown (Macron II bonuses). In 2022, following the renewal of the system, in its "Macron III" version, bonuses were again allocated to the lowest remuneration levels of the French subsidiaries.

In another respect, in 2020, the SPHERE Group completed the consolidation with a single insurer of all its subsidiaries in France, in terms of Health and Personal Protection cover. This had its first effects in 2021 by limiting price increases thanks to the strengthening of the bargaining power resulting from this grouping. This grouping continued to produce its effects in 2022, even though inflationary pressures and the significant revaluation of the bases for calculating contributions required some pricing adjustments.

In 2023, at certain sites in France, harmonisation was carried out on the basis of contributions, now based on the PMSS and no longer on a flat-rate basis. Despite continued inflationary pressures in 2023, contribution rates and cover remained unchanged on the health and protection components throughout the scope.

In total, the Group's payroll was €104.8m at 31 December 2023 and was supplemented by temporary work costs of €9.9m, i.e. an overall payroll excluding profit-sharing and incentive schemes of €114.7m, up €1.1m on the previous year.

### **Combating discrimination, promoting diversity and measures taken in favour of people with disabilities**

The implementation of SPHERE's ethics and behaviour charter, and its regular updating, embodies the Group's commitment to combating discrimination, promoting diversity and integrating disabled workers.

Women actively participate in the Group's management, with a higher share of the executive population than their share of the overall SPHERE population, as indicated above: 39.55% of female managers compared with 29.6% of women in the total population. From year to year, these rates are very constant.

The Group employs the full-time equivalent of 45 disabled workers and spends around €30k to facilitate their daily integration.



**€30k**  
investment  
to facilitate the  
inclusion of disabled  
workers.

## Policies, action plans and outcomes associated with priority environmental risks

In 1991, the detailed life cycle analysis carried out by PricewaterhouseCoopers-Ecobilan for the SPHERE Group showed that over the entire life cycle of a bin bag (from the production of its raw material to the end of the life of the bag) the stages that have the greatest environmental impact are:

- the production of the raw material, which contributes approximately 60 to 80% of the impacts;
- the end-of-life of the bag, which contributes approximately 10 to 30% of the impacts.

SPHERE has worked on it for more than 25 years, applying the following eco-design principles:

- reducing the quantity of material used for the same use function (in particular by reducing thicknesses);
- choosing the possible material that allows the least environmental impact over the life of the product, in particular by aiming to no longer use virgin polyethylene of fossil origin in favour of:
  - recycled polyethylene,
  - polyethylene of plant origin,
  - biosourced and compostable material.

As a result of this work, and with a view to updating our approach, in order to supplement and update this data, the SPHERE Group initiated a new life cycle analysis for a waste bin bag made of recycled materials in partnership with IPC (Centre technique Industriel de la plasturgie et des composites). The results are expected in 2024.



*The group is also behind the NF Environnement certification.*



## A proactive policy fully in line with the principles of the circular economy

For many years, the SPHERE Group has been following a proactive approach to saving money for the consumption of non-renewable materials, which relates to reducing the thickness of bags, the use of recycled materials and the promotion of materials of biosourced and/or compostable origin to manufacture bags in particular.

As early as 1983, this resulted in a 30% reduction in bag thickness using new generations of polyethylene. The Group is also behind the NF Environnement certification in France and participates in the revision of this brand, which ensures that influential factors are taken into account throughout the life cycle of waste bags.

The Group has made significant investments in recycling, either used plastics from its own production or those from outside. These efforts and investments continue to increase the use of recycled products in blends of extruded materials and thus reduce the consumption of virgin materials. For more than five years, extruded tonnage of fossil materials has been lower each year than recycled materials.

The Group's environmental protection policy is based on innovative solutions. The Group is concentrating its research efforts on the development of biosourced and compostable materials from renewable plant materials. In 2022, the Group continued to grow strongly in its production of these materials, in particular with biosourced fruit and vegetable bags, compostable at home, compliant with the requirements of the energy transition law for green growth, which can be used to collect food waste and green waste for organic industrial or domestic recycling.

As part of the French and European principles of the circular economy, the Group continues to integrate the end-of-life issue of the products it manufactures so as not to disrupt the recycling and industrial or domestic composting sectors.

The extension of sorting guidelines in France has led consumers to throw away ultra-light bags, used for packaging fruit and vegetables, in the (yellow) waste bin dedicated to packaging. In order to demonstrate the compatibility of refuse sorting into compostable materials in the recycling of flexible PE, the Group is participating in a cooperative project with several members of ELIPSO.

SPHERE monitors its electricity consumption, which is its main energy used, to reduce it. It is in this context that a study on the solar potential of French sites was conducted in 2023. Solar investment decisions were taken for two subsidiaries (ESP/IT).

In addition, for the past two years, SPHERE has been monitoring the greenhouse gas impacts of all energies used in its added value (scope 1 and 2) with a new indicator described in 1.7.3.2.3. A carbon strategy based on the first carbon assessment (scopes 1, 2 and 3) based on 2022 data and for the entire Group scope was conducted in 2023 and will be finalised in 2024 with the definition and adoption of targets enabling the Group to contribute to carbon neutrality by 2050. In addition, following the adoption of the Climate and Resilience Act in France, SPHERE identified that transport accounted for 5% of its greenhouse gas emissions. A series of measures to reduce this impact are currently being studied.



The aim of certification will be continued at the other sites with a target of **100%** by 2025.



*SPHERE continues to integrate the end-of-life issue of the products it manufactures so as not to disrupt the recycling and industrial or domestic composting sectors.*

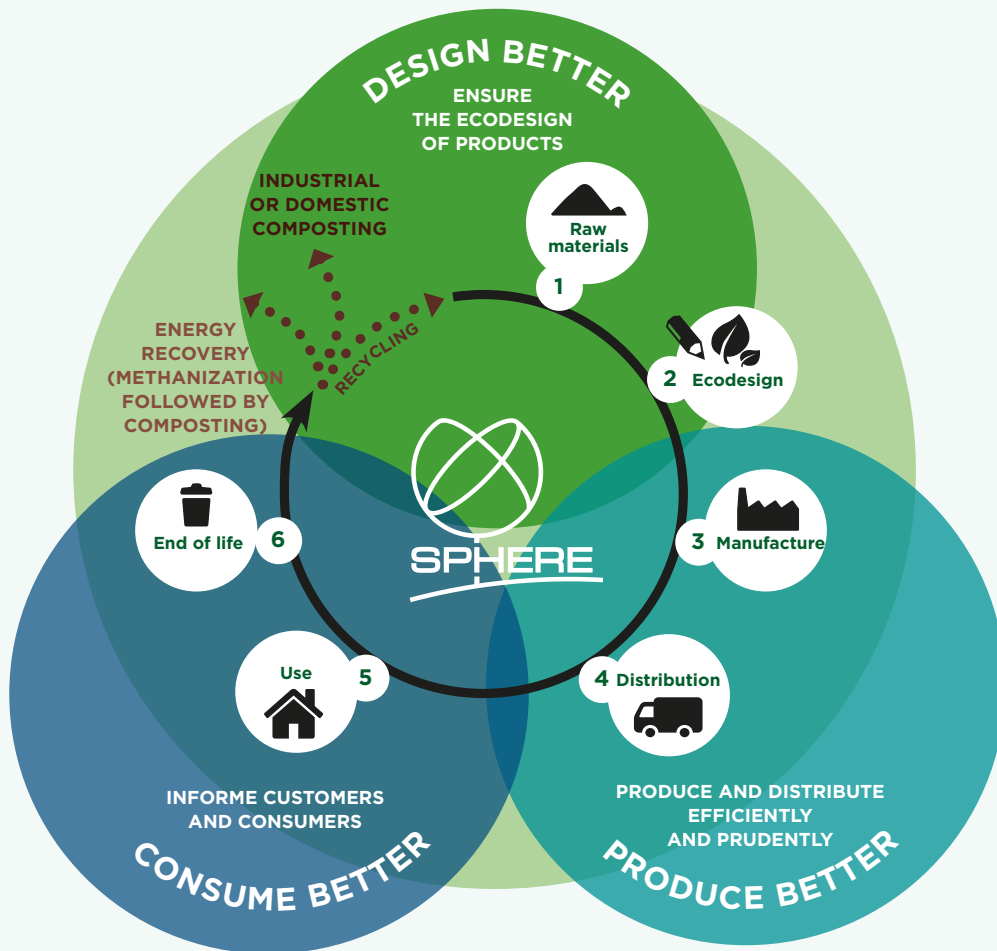


### Environmental policy assessment and certification procedures

The environmental approach aims to systematically take into account, assess and reduce the impact of the company's activities on the environment. Thus the SPHERE Group has committed to two approaches to environmental management:

- **The site approach:** an internal site management tool based on continuous improvement. As at 31 December 2023, nine of the fourteen production sites in the Group (64.3%) were ISO 14001 certified (and were also ISO 9001 certified). As a reminder, this percentage was only 28.5% at 31 December 2019 and 56% at 31 December 2021. As a reminder, the percentage of production sites certified ISO 14001 is one of the indicators monitored by SPHERE. The aim of certification will be continued at the other sites with a target of 100% by 2025.
- **The product approach:** by systematically integrating environmental aspects from the design and development of products, with the aim of reducing negative environmental impacts throughout their life cycle. This is in particular the aim of participating in the green effect project via the subsidiary SPHERE Distribution and the MPR (traced recycled material) certification obtained by JM Plast in 2023 for certain products.

### The virtuous circle of the circular economy



### Resource management: waste, raw materials, energy and land

#### Management of internal reusable waste

Almost all plastic waste is recycled and reintegrated into production.

Most of the production sites are equipped with a recycling unit and also participate in the recovery of external plastic waste, which will also be integrated into the materials used to produce waste bags.

The Group also uses large quantities of recycled plastic pellets purchased outside the Group.

Overall, recycled plastic (of internal or external origin) accounts for more than half of the plastic consumption consumed in production by the Group. About 74% of this recycled plastic consumed is of external origin.

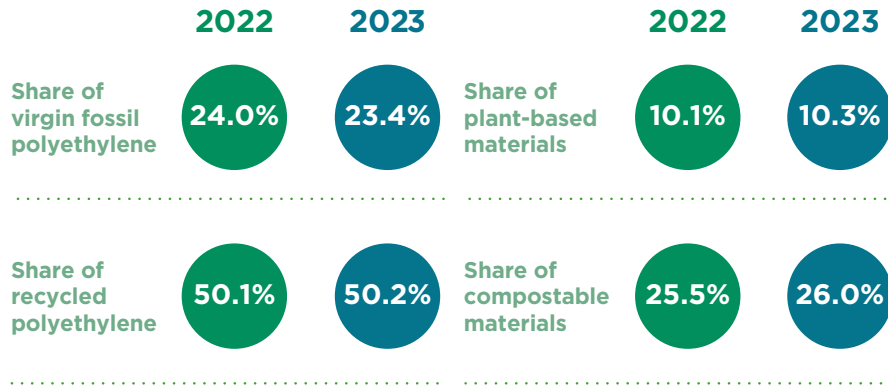
#### Consumption of raw materials and measures taken to improve efficiency in their use

As already indicated, it is the raw materials that have the most environmental impacts during the full life cycle of the main products distributed by SPHERE (plastic bags).

SPHERE has therefore decided to closely monitor the evolution of the mix of raw materials used in its production of biosourced and compostable plastic and plastic products, by distinguishing in particular:

- virgin polyethylene and recycled polyethylene;
- fossil and plant origin;
- compostable and non-compostable material.

The breakdown of materials by volume is calculated by dividing the respective shares by the total consumption of plastics:



For example, the share of compostable materials increased in 2023 by 0.5 points compared to their share in 2022, or by 83% since 2018 (see methodology note page 27 for details on the calculation method and the reason for 2018 as the reference year). This sharp increase (83%) reflects the Group’s desire to contribute to the entire biowaste recovery chain, whether food waste in the kitchen or green garden waste.

Similarly, the sharp decline (29% since 2018) in the share of virgin fossil polyethylene corresponds to the Group’s objective of eliminating this raw material in the long term.

**Energy consumption, measures taken to improve energy efficiency and use of renewable energies**

SPHERE aims to reduce its electricity consumption per tonne manufactured and to contribute through its purchases to the development of electricity from renewable sources. To do so, two energy efficiency studies were carried out in 2023 at the PTL and JET Sac sites.

At the same time, electricity consumption per tonne extruded continued to fall, with an efficiency gain of 1.5% between 2023 and 2022, after 3% recorded between 2022 and 2021:

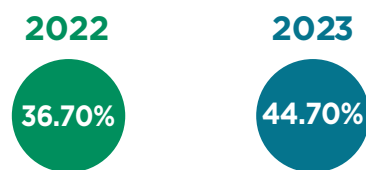
**Change MWh per tonne extruded\***



It was calculated by dividing the MWh consumed in production by all extrusion plants by the total number of tonnes extruded by these same plants.

The share of electricity from renewable sources by specific contractual commitment with the supplier increased by 11% between 2022 and 2023. This is explained in particular by the change in the electricity mix delivered to the French subsidiaries where renewables were up in 2023.

**Change Share of electricity contractually renewable\***



\* See methodology note in 1.7.3.3.6 for details on the calculation method.

**Land use**

Plant-based plastics represent around 20% of the plastics used by SPHERE. In addition, the global production capacity of all plant-based plastics mobilises less than 0.02% of the world’s agricultural land, as indicated by the European Bioplastics association.

SPHERE is nevertheless vigilant about the proper sustainable management of plant resources and will address this point in greater detail and responsibly in this report when the weight of these materials is greater.

**Climate change**

Climate change caused by greenhouse gas emissions is a fundamental problem that SPHERE has been fighting against for several decades.

Beyond the life cycle analyses already available, until this year SPHERE did not have a complete carbon assessment. The Group’s first carbon assessment (established according to the GHG Protocol method), based on 2022 data, was carried out this year for scopes 1, 2 and 3. With a total of 735,000 tCO<sub>2</sub>e (equivalent to the emissions of 81,000 French people) with a scope 3 representing more than 97% of this total (including the four largest items: 42% for end-of-life, 41% for inputs, 9% for fixed assets, 5% for freight). This carbon assessment will serve as the basis for defining a target to reduce the Group’s emissions by 2024 with a view to contributing to carbon neutrality by 2050 according to the SBTi standard.

Since the 2019 SNFP, a renewable electricity indicator has been put in place because electricity represents the bulk of the energy used in SPHERE’s plants (see 1.7.3.2.3 above).

From the 2020 DPEF, SPHERE has set up monitoring of its CO<sub>2</sub> emissions linked to its two main sources of energy consumed: electricity and gas. In 2021, the total fuel consumption of the Group’s vehicles (owned, leased long-term or for which mileage costs are reimbursed) was added. The indicator used is still: tonnes of CO<sub>2</sub> emitted per million euros of revenue.

**Change tonnes of CO<sub>2</sub> per million euros of revenue\***



A significant decrease (8%) can be observed between 2022 and 2023 (17% since 2020), which is all the more notable when taking into account the 4% decrease in revenue in value terms. This decrease is mainly due to a 9% reduction in energy consumption across the Group.



**Plant-based plastics represent around 20% of the plastics used by SPHERE.**



\* See methodology note in 1.7.3.3.6 for details on the calculation method.

## Other societal information

SPHERE's desire is to respect the legislative and regulatory environment governing its activity while promoting its values.

### Ethics, values and legal and regulatory compliance

The SPHERE Group intends to strictly comply with legal and regulatory obligations in both form and spirit.

As such, in 2011 an Ethics Charter was put in place within the Group, systematically communicated to Group employees and reinforced in its application by its integration into the internal regulations of the subsidiaries. Non-compliance with the Ethics Charter may be referred to a Group contact person.

Available on the SPHERE website, the Ethics Charter is often perceived by job applicants as an important element of the Group's attractiveness, as is its commitment to sustainable development. A new edition of the Ethics Charter, the culmination of a review process, was published in 2016 and was also distributed to all Group subsidiaries.

Since 2017, the Board of Directors has adopted a system aimed at preventing the risks of corruption and influence peddling, pursuant to the Sapin II law. This system has led to the identification of all the risks of corruption and influence peddling related to the conduct of business, the definition of their contours, the definition of the processes for preventing their occurrence and the establishment of an internal alert system. This system is based on an organisation at Group level via the Group compliance officer and local contacts via a network of officers within each SPHERE Group company.

Training initiatives are being undertaken to raise awareness within each Group subsidiary among an increasing number of employees.

Each year, a review of the past year is presented to the Board of Directors as well as the action plan for the following year. This presentation makes it possible to report at the highest level the results of the actions carried out and to confirm the roadmap in relation to

the areas for improvement identified. Thus the 2023 assessment of the actions carried out and the 2024 action plan were presented to the Board of Directors on 9 January 2024 and the Board approved the action plan presented.

In an effort to continuously improve the existing system, and as an extension of the work to diagnose and update the corruption and influence peddling risk mapping and the anti-corruption system as a whole initiated in 2022 and continued in 2023, the following three procedures of the system were fully reviewed and updated: the Anti-corruption Code of Conduct, the internal whistleblowing system and the training system. This subject will be an integral part of the CSR strategy currently being finalised.

### Actions to meet the fundamental needs of the company

Following the devastating fires of summer 2022, in France as well as in Southern Europe, SPHERE, in partnership with INTERMAS, one of the Group's customers and a manufacturer of garden centre products, approached the French National Forestry Office (ONF) to propose working on the development of protective sleeves for young trees. At a time when forest replanting will involve billions of trees, and is an essential step towards achieving carbon neutrality, it seems important to offer a product that is both resistant and compostable, to avoid continuing the current practice of abandoning plastic sleeves in the forest once the trees have grown, thereby generating significant pollution in the new forests.

“

***Training initiatives are undertaken to raise awareness among an increasing number of employees in each of the Group's subsidiaries.***

”



## Actions to combat food waste

The SPHERE Group does not work on food products and therefore does not generate food waste.

In addition, the SPHERE Group has developed expertise in the food contact products sector. Its subsidiary SPHERE France, equipped with a grey room, supplies via mass distribution all over Europe products such as: food films, aluminium trays and rolls and baking paper. All these products allow consumers to protect, store and freeze food and for some to provide culinary assistance.

The Group's national brands, Alfapac, Frio, Vita and Propsac, are true idea laboratories, developing innovative and eco-responsible products that include optimising food life and reducing food waste.

The implementation of a communication policy (press and digital) for the general public prioritises education on the proper use of products in the form of advertisements and press releases, partnerships with the women's and culinary press and the distribution of videos (recipes and chef's tips). A similar operation was finalised in 2022 for deployment in 2023 on the issue of household waste sorting.



**In 2004, the Group created the SPHERE Corporate Foundation and is involved in several areas: artistic, educational and humanitarian.**

## Partnership or sponsorship initiatives

Engaging in sponsorship is an opportunity for a company to express its identity and values and to illustrate its social and cultural responsibility.

Before the creation of the SPHERE Corporate Foundation, the Group had supported various charitable actions (such as artificial ventilators for Saint-Vincent-de-Paul Hospital) and humanitarian actions.

In 2004, the Group created the SPHERE Corporate Foundation and is involved in several areas: artistic, educational and humanitarian.

In the artistic field, we are helping to bring back to life forgotten musical works such as the operas *L'Amant anonyme du Chevalier de Saint-George* (2015) and *Treemonisha* by Scott Joplin produced in South Africa (2006) and which will be given in Martinique in 2025 for the fifty years of the Group and the twenty years of the SPHERE Foundation.

In 2019, the SPHERE Foundation traced the career of Christiane Eda-Pierre, one of the world's greatest sopranos of the second half of the twentieth century. She taught numerous artists and played Olivier Messiaen's *Angel* in his opera *St François d'Assise*. She also performed on many stages alongside Plácido Domingo and Luciano Pavarotti.

In 2022, the SPHERE Foundation offered several events in Martinique: a sponsored exhibition on the great classical composers and voices of the Caribbean. She organised a major concert at the Saint-Louis Cathedral in Fort-de-France, "De la rue Case-Nègres aux palais princiers" in tribute to Marian Anderson, the greatest contralto of the twentieth century and the first African-American to perform at the Metropolitan Opera.

In the educational and humanitarian field, the SPHERE Foundation supports projects such as: the creation of a school for orphaned children in a South African township near Cape Town (2006) and the schooling of leper children via the Dominique Lapierre Foundation in Calcutta (20028). In 2017, it supported the Global Heart Watch association in the fight against cardiac arrest.

The SPHERE Foundation is very active with the Association Objectif France Inde (OFI), which is mainly involved in water supply for rural areas, social entrepreneurship and access to education (for nearly 200,000 women) and healthcare for children (2021/2026).

Finally, since 2022, the Foundation has supported the Institut Louis Germain in its project to develop classes of excellence in several cities in France and which aims to create a campus in Ile-de-France.

By supporting implementation assistance projects by associations and non-governmental organisations through grants and strong and lasting involvement, the SPHERE Corporate Foundation ensures the sustainability of these actions.

In addition to the Foundation, SPHERE also supports projects linked to university access for underprivileged children: for example, for several years, support has been provided to the Institut Catholique Européen des Amériques for students from Martinique. In 2023, SPHERE also financed a project as part of a University Diploma (DU) as part of a partnership with the Sorbonne University Foundation.

### Social and environmental responsibility taken into account in relations with suppliers and subcontractors

Our strategic suppliers meet the requirements of BRC/BSCI standards and are audited by third-party organisations. Other suppliers comply with their national regulations and are regularly visited and/or audited to ensure that our requests are met. Our quality control procedure has been adapted since 2020 to the new materials of finished products purchased by the Group.

### Fair practices: measures taken to promote consumer health and safety

From the design stage of its products, the Group strives to apply a clear display on the product and its packaging, which mentions the proper use of the product, its restrictions, its composition and its environmental benefits.



*Tribute to Christiane Eda-Pierre - Martinique.*

### Information on actions to promote the practice of physical and sporting activities

Some Group companies that have a Social and Economic Committee encourage members of these bodies to allocate, as part of their annual budgets for social and cultural activities, a maximum contribution to the expenses incurred by their employees either to carry out their sports activity directly or to benefit from subscriptions to sports clubs or gyms. For example, for Sphere France, in 2023, this amount represented around €8,000.

In order to encourage the use of alternatives to cars, the companies based at the Paris head office have set up parking spaces for bicycles in the building's underground car park.



# 4

## Methodology notes

### Scope

For this statement of non-financial performance, the scope taken into account covers all companies over which the SPHERE Group had exclusive control over the twelve months of 2023.

The period considered is the 2023 calendar year, as for financial data.

## Risk analysis

The initial analysis of social, societal and environmental risks was carried out for 2018 and 2019 mainly by the human resources and sustainable development departments, together with general management, as well as certain subsidiary managers. For the 2020 statement of non-financial performance, a production site director, a central department director and an HR director of a subsidiary contributed to the review carried out of the entire risk analysis.

For this 2023 statement of non-financial performance, no initial analysis of social, societal and environmental risks was carried out. It will be updated during the next period.

As a reminder, during the analysis, a very broad list of potential risks was drawn up. Each risk was then weighted according to its dangerousness, its probability of occurrence and the share of SPHERE's activity potentially impacted. An overall score was thus calculated. Only the main risks, receiving the highest ratings, were detailed in this statement. The relevant monitoring indicators have been chosen to monitor changes in these risks. The most recent detailed risk review conducted for the 2022 DPEF did not result in a change to the list of main risks justifying monitoring in the DPEF.

## Social indicators

The social indicators used in the social part of the document are constructed as follows:

- **Headcount:** the population of work-study staff is taken into account, both for professionalisation contracts and apprenticeship contracts. Interns and temporary workers are not included in the workforce. Furthermore, it is specified that in an Italian company, precarious contracts via an external service provider are treated in this DPEF as temporary contracts, according to the site's historical practice.
- **Total theoretical number of hours worked:** for each subsidiary, this indicator is calculated as the sum of the individual theoretical annual working hours plus overtime and additional hours, as well as absences of any kind and leave (paid, seniority, split, compensatory rest, family events, without pay).
- **Total number of hours actually worked:** this indicator is calculated based on the theoretical number of hours worked from which all leave, regardless of its nature (paid leave, seniority leave, split leave, unpaid leave, compensatory leave, etc.), as well as all types of absences, whether paid or not.
- **Frequency rate:** this is calculated by multiplying the number of workplace and commuting accidents with lost time in the year by one million, then dividing the sum by the total number of hours actually worked.
- **Severity rate:** calculated by multiplying by a thousand the number of calendar days lost due to workplace and commuting accidents, then dividing the sum thus obtained by the total number of hours actually worked.
- **Absenteeism rate:** calculated by dividing the number of hours lost due to illness and workplace or commuting accidents by the total theoretical number of hours worked.

- **Payroll:** defined as the sum of total gross compensation and the associated employer contributions.
- **Training hours:** these cover all training initiatives implemented in the Group's companies, including initiatives relating to health, safety and working conditions. Actions relating to work-study contracts – apprenticeships and professionalisation – are excluded. E-learning courses and courses lasting less than two hours are now taken into account.
- **Training costs:** these include teaching costs and travel expenses incurred on this occasion, excluding the salaries of trainees.

As a reminder, unless explicitly specified otherwise, the workforce is calculated on the basis of the persons present at 31 December 2023.

## Environmental indicators

The main environmental indicators relate to the use of the main materials used by the group, i.e. the following various raw plastics: virgin fossil polyethylene, recycled polyethylene (obtained from the internal regranulation of the Group's production drops, or purchased externally in the form of granules), plant materials and compostable materials.

For each of these areas, the indicator is based on values as consolidated during an annual data collection exercise.

The percentage of electricity purchased that is contractually renewable includes as renewable electricity only the percentage of electricity that the supplier contractually guarantees as being renewable, excluding the percentage of electricity that is renewable even though the contract does not impose any constraints on the electricity supplier.

The CO<sub>2</sub> emissions indicator linked to SPHERE's activity takes into account the CO<sub>2</sub> emissions of the three main energies consumed by all Group companies, regardless of their activity:

- electricity (except for three commercial offices whose electricity consumption (heating and lighting) is totally marginal at Group level),
- gas,
- and since the 2021 DPEF (with retroactive inclusion in the 2020 figures), fuel consumption for the Group's vehicles: owned or leased for a long term or whose mileage costs are reimbursed to their user.
- Note that transport (Freight) is not included in this indicator this year.

The emission factors were taken on the following basis:

- **Electricity:** ADEME database specific to each country.
- **Gas:** emission factors for natural gas, propane and LPG in France, applied to all countries.
- **Fuel:** by type of fuel, number of litres actually consumed or estimated by the division of euros spent by the average value of this fuel over the year, then technical conversion into kgeq CO<sub>2</sub>.
- It is planned to supplement this approach in the coming years by refining the emission factors of the various gases used by countries.

## Outlook

This 2023 DPEF follows the practice established with the first DPEF carried out in 2018, and goes beyond SPHERE's strictly regulatory obligations. The rollout of the CSR strategy, scheduled for 2023, the new CSRD Directive adopted at the end of 2022, will give the Group the opportunity to significantly change the form and content of the statement of non-financial performance in the years ahead. Work is under way for the implementation of the CSRD at SPHERE.

## Topics not addressed

The following topics were not addressed:

- those that are not relevant given the activities of the SPHERE Group: animal welfare, fight against food insecurity, fair and sustainable responsible food;
- collective agreements, because they are managed at the level of each company and are not monitored centrally since this subject, although important, does not represent a major risk for the Group and does not justify a particular monitoring indicator.

**The SPHERE Group's 2023 Extra-Financial Performance Statement has been verified by the independent third party KPMG, which issued its report on 24 April 2024.**





“ Together, let’s innovate to transform our businesses over the long term and offer useful packaging solutions that are ever more respectful of the environment. ”



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