

Environmental Policy

Dear Customers, Suppliers and Partners

SES-imagotag believes in the power of technology to empower and to positively impact society and the environment.

Stores account for one-sixth of jobs globally and are the social hubs and beating hearts of cities. Store digitalization is thus not only good for retailers and brands but also for the broader economy and society by:

- Stimulating employment;
- Building better cities (stemming the erosion of stores);
- Reducing waste;
- Creating greater traceability and food safety;
- Driving consumer satisfaction; and
- Helping fund the journey to more sustainable agriculture.¹

SES-imagotag's Positive Retail framework serves as the foundation for addressing the needs of all stakeholders and making a constructive contribution to the environmental and social issues facing the retail sector. Positive Retail aims to create long-term sustainable value for SES-imagotag's clients, society at large, partners, suppliers, employees, investors and the environment.

One of the key pillars of the Positive Retail Framework is environmental protection by transforming the retail sector into a low-waste, low carbon and sustainable activity.

Accomplishing this requires innovation, ambition and responsibility. It also means putting SES-imagotag's core values center-stage as they underpin the way the business is run, the way it creates value and the way it delivers on the mission of "driving the physical transformation of the physical retail sector".

The Environmental Policy governs how SES-imagotag implements its Positive Retail framework.

¹ By delivering the right message in-store at the shelf through the information displayed by SES-imagotag's solution, empowering consumers to choose local, organic food.

Introduction to the Policy

SES-imagotag believes that long-term growth goes together with environmental responsibility. For this reason, SES-imagotag feels a responsibility for future generations and commits to combatting climate change. Combined with this is the need for an effective action plan to address current environmental and social challenges. SES-imagotag's vision is to minimize its environmental impact by significantly reducing intensity of its GHG emissions and achieving carbon neutrality by 2030.

Achieving this requires resolute commitment to this Environmental Policy.

Purpose

This Environmental Policy² reaffirms its commitment to improving its corporate social responsibility and environmental performance. This policy is designed to provide the necessary guidelines and principles to reduce SES-imagotag's environmental impact by reducing intensity of its greenhouse gas (GHG) emissions. The policy details goals and measures put in place to deliver on these commitments. This policy reflects the "Positive Retail" framework.

Scope and Applicability

This policy outlines SES-imagotag's commitment to reduce its environmental impact. Indeed, SES-imagotag developed this policy based on the same comprehensive standards across all operations regardless of geographic location and the level of operations (suppliers, vendors and partners). In fact, SES-imagotag engages with all its suppliers, vendors and partners to disseminate and respect the same commitments. In particular, SES-imagotag asks suppliers and business partners to comply with all applicable environmental rules and regulations in each country in which they operate. They must also comply with SES-imagotag's Supplier Code of Conduct.

Areas of Commitment

SES-imagotag's environmental focus is on:

- Reducing the intensity of its GHG emissions;
- Accelerating the circular economy;
- Recycling;
- Developing lower impact products; and
- Educating its employees on sustainability.

SES-imagotag complies with all applicable rules, regulations and laws and where possible applies stricter standards.

² In tandem with the values and principles set out in SES-imagotag's Policies, Code of Ethics and its Supplier Code of Conduct.

Policy Goals from 2022 onwards

SES-imagotag has identified the following goals on its journey to reducing its environmental impact and tackling its greenhouse gas emissions:

- Comply with relevant regulations, principles, norms, technical standards and major international conventions regarding reducing greenhouse gas emissions;
- In relation to the endorsement to the UN SDGs, strengthen the commitment to:
 - o SDG 12: Responsible Consumption and Production; and to
 - o SDG 13: Climate Action.
- In relation to the endorsement of the UN Global Compact, strengthen the commitment to principles 7, 8, 9:
 - o “Businesses should support a precautionary approach to environmental challenges”;
 - o “Undertake initiatives to promote greater environmental responsibility”; and
 - o “Encourage the development and diffusion of environmentally friendly technologies.”
- Achieve a Platinum score on the EcoVadis assessment by 2023. After that, have 90% of suppliers assessed by EcoVadis or another accredited organization;
- Training all employees to educate them with a culture of sustainability;
- Educate and involve key SES-imagotag stakeholders regarding resource use, efficiency, sustainable design of products and greenhouse gas emission reduction.³
- Develop a business model scenario that is compatible with limiting global warming to 1.5°C;
- Continue to build the net zero plan along three axes:
 - o Reduce SES-imagotag's carbon footprint each year towards net zero by 2030; Decarbonize SES-imagotag's products; and
 - o Help decarbonize the retail sector;
- Become ISO 14001 certified by 2022 / 2023;
- Strengthen participation in industry initiatives like the World Economic Forum (WEF) to raise global awareness about the impact of greenhouse gas emissions;

Analyze the various possible future retail development scenarios in terms of their respective environmental impact. Positively influence business, financial and political decision-makers towards building a more sustainable retail sector over the coming years;

³ SES-imagotag also promotes environmental awareness among its suppliers and business partners through the Supplier Code of Conduct and the EcoVadis assessment.

Policy Measures

The actions items are categorized as below:

General

- Reduce direct and indirect intensity of its GHG emissions in line with the 2015 Paris Agreement to limit global temperature rises to 1.5°C compared to pre-industrial levels. For this reason, SES-imagotag will continue to assess its Carbon Footprint through annual reports on reductions in CO2 emissions;
- Quantify, monitor and communicate transparently its direct and indirect intensity of its GHG emissions in line with internationally recognized standards;
- Identify, evaluate and manage climate-related risks across its own operations and supply chain;
- Establish a carbon efficiency Key Performance Indicator (KPI), linking its CO2 emissions to sales (CO2 weight per euro of sales);
- Have 75% of suppliers rated by 2023 using the EcoVadis Business Sustainability Ratings;
- Aim to have 100% of suppliers sign the Supplier Code of Conduct by 2024;
- Verify that the suppliers who have signed the Supplier Code of Conduct are compliant with REACH and RoHS regulations;
- Beginning in 2022, SES-imagotag started to consider water usage and commits to continue this analysis;
- Promote the efficient use of natural resources, including water, and minimize waste generation at warehouses and offices while monitoring water consumption and waste volumes of product packaging.

Core Business

Eco design

- Continue the development and improvement of its action plan to ensure the complete reuse and recyclability of its products;
- Products are designed to be:
 - o repaired,
 - o refurbished⁴; and
 - o appropriately recycled;
- Perform lifecycle assessments and carbon impacts for all potential products before actual development. LCAs of the Hermès and Captana products will be undertaken in 2023 together with environmental consultants;
- Decarbonize its solutions and reduce the carbon footprint of the ESL systems. This will be achieved by continuing to invest in R&D in low-carbon display patents and in patents around energy efficiency. SES-imagotag commits to increase the number of patents dedicated to low energy systems (currently 45 out of 108). SES-imagotag's R&D teams are continually working on reducing power consumption and on redesigns. By 2024, SES-imagotag is committed to 100% eco-design of its products. The goal is to minimize product energy usage by developing IoT devices that do not require batteries. The idea is to ultimately make the ESLs battery-less,

⁴ Ease of disassembly, availability of spare parts, cost of spare parts and related services.

low waste and that have ultra-low power displays to be ultra-low carbon emitters. This will help reduce carbon emissions in the retail sector;

- Strategically manage its product design, production and distribution to ensure safety in accordance with the [RoHs and REACH](#) regulations, sustainability and quality.

Environmental Assessment

- Conduct annual Life Cycle Assessment (LCA) of the environmental impact of selected materials and components in SES-imagotag's products to identify and integrate appropriate measures in the design and material choice phases.

Upstream Supply Chain Distribution:

- Reduce the environmental impact of transportation by identifying and promoting efficient and lower impact transport systems without compromising operational efficiency and delivery times. To this extent, SES-imagotag encourages its logistics and distribution partners to apply more sustainable practices such as load optimization and identification of efficient routes as well as promoting low-carbon means of transportation. Indeed, SES-imagotag continues to monitor the logistics mix between air freight, maritime cargo and train transport to select the lowest impact option;
- Carefully select new suppliers that are compliant with the [Sustainable Procurement and Purchasing Policy](#).
- Engage with suppliers and promote the use of sustainable practices in their business operations such as the use of renewable energy to reduce GHG emissions.

Customer Usage in Stores

- Help decarbonize the retail sector⁵;
- Help depollute stores of electronic equipment: SES-imagotag no longer sells portables to its clients to initialize the ESLs. They can use the portables they already own.
- Increase the life span of its products in stores through the development of an "Asset Management" system. SES-imagotag invested in Asset Management to help its clients manage their ESLs and lengthen their lifespan⁶.

End of Life:

- SES-imagotag 2nd life Program (refurbishment) takes back old generation tags from clients, refurbishes them and puts them back on the market.
- By collecting, reprocessing or refurbishing labels, SES-imagotag can extend the lifespan of ESLs, essentially giving them a second useful life. This automatically reduces their environmental impact. In 2022, SES-imagotag started refurbishing new generation tags (VUSION tags) and will continue to increase the refurbishment ratio of these tags;
- Upgrading: SES-imagotag commits to upgrading slow-moving inventory tags that haven't been sold rather than dispose of them;
- Proper waste management and recycling of its IoT devices: Electronic Shelves Labels contain batteries and fall within the scope of both the Batteries Directive (2006/66/EC) and the Waste Electrical and Electronic Equipment (WEEE) Directive (2012/19/EU). SES-imagotag is thus

⁵ Paperless stores, local e-commerce, waste reduction, inventory, responsible consumption.

⁶ E.g., indicates where to locate the ESL to improve its performance and lifespan.

organizing the proper collection schemes in the EU as well as offering an internal refurbishing service in Europe to give ESLs a “second life”. The goal is to also roll out such recycling flows outside Europe.

Office Activities

- SES-imagotag rents its offices. It has committed to select the most environmentally efficient offices and warehouses operating to the best environmental standards to minimize energy consumption while promoting employee wellbeing;
- Provide all offices with standard guidelines and local targets to reduce energy consumption, CO2 emissions, waste production and water consumption;
- Raise employee awareness through guidelines and programs to reduce the consumption of paper, plastic, toners and energy;
- Promote waste sorting and sustainable consumption by switching printers to idle mode (reducing consumption when not in use), limiting printing and by using environmental-friendly settings when printing: “black-white”, “double-sided”;
- Implement office guidelines to reduce energy consumption. These include:
 - o turning off computers (laptops are switched to sleeping mode after 4 minutes of inactivity), monitors, lights and air-conditioning when not in use,
 - o using small meeting rooms for small groups to reduce the electricity used;
 - o Providing wired IT accessories or rechargeable batteries (mouses, keyboards, headsets)
 - o Removal of Fix IP telephony to reduce material waste, as well as reducing energy consumption from servers to phones. Promote dual SIMs mobile phone (or eSIM) to avoid the use of two mobile phones.
 - o Stay on standard features while using cloud software features to benefit of power consumption optimization proposed by software vendors.
- Reduce CO2 emissions by using an extensive range of technology (video conferencing solutions – Microsoft Teams) to support interaction between employees, thereby reducing business travel;
- Regularly monitor business travel to cut GHG emissions and optimize the Group’s car fleet by looking for opportunities to switch remaining car leases from standard to electric/hybrid/lower environmental impact vehicles;
- Minimize employee commutes by offering flexible working arrangements (at least 2 days per week) and extend this to all employees including working students.
- Also encourage employees to adopt environmentally friendly transport solutions⁷;
- Work closely with marketing teams to support the creation of sustainable events⁸;
- Continue to provide sustainable goodies (reusable water bottles, reusable cups, tote bag) to avoid single use items;
- Remove all single use plastic from the offices;
- Remove disposable paper cups from coffee machines;

⁷ E.g., provide employees with a higher reimbursement on their transportation card to foster the use of public transportation - 50% is currently reimbursed.

⁸ Favor locations that pay attention to sustainability and provide vegetarian options. When event activities are planned design them around sustainability and education.

- Recycle electronic equipment: inform employees of the placement of drop boxes in IT offices where they can bring their own electronic equipment for recycling;
- Provide battery recycling containers in all offices;
- Review all office material suppliers (books, pens...) to select the ones that best align with SES-imagotag's environmental goals.
- Develop a more sustainable end-of-life program for IT equipment (cell phones, computers) through:
 - o extending the use and warranty of PC (5years) and phones (3years)
 - o refurbishment,
 - o recycling most electronic equipment, and by
 - o donating equipment that can no longer be used to schools;
- Work with suppliers to recycle 100% of coffee pods made available to employees (set up special bins to recover the coffee pods).

Responsibilities

ExCom is responsible for the policy's approval

EVP ESG and Legal and the Sustainability team own, endorse and drive the implementation of the policy. They also ensure relevant and proper communication of policy efforts to external stakeholders.

The Sustainability department is responsible for:

- proposing the Group's sustainability strategy;
- identifying sustainability risks; and
- identifying areas and projects for improvement to contribute to the creation and development of long-term value.

It prepares the ESG annual report and spreads the culture of sustainability within the Group. Lastly, the sustainability department promotes dialogue with stakeholders and handles requests from ESG rating agencies and Socially Responsible Investors.

Relevant group VPs, Country Managing Directors, regional and local management are responsible for:

- ensuring that this policy and related standards are implemented and adhered to; and
- making employees aware of the policy and its requirements.

SES-imagotag management and employees are responsible for adhering to this policy. It is essential that the letter and spirit of the policy be complied with. They must also engage and take responsibility for ensuring that all initiatives are developed in line with the policy.

Everyone is ultimately responsible for the improvement of SES-imagotag's environmental performance within their sphere of influence.

Reporting Mechanism

Asking a question or reporting a concern requires courage. All SES-imagotag employees are expected to speak up. When they do, they protect SES-imagotag, its brand and its facilities. This helps improve its operations and prevent potential misconduct.

If you are an SES-imagotag employee and you feel you need to report unethical behavior, or if you have a doubt or question, please feel free to contact:

- Any manager;
- A member of the HR or Legal Department;
- A member of the employee representative committee.

You can also contact the whistleblower service via Mylily, your internal digital platform. There you can choose to anonymously report an unethical situation or behavior through the "Ethics" dashboard or by emailing ethics@ses-imagotag.com.



Dear suppliers, vendors and partners:

Developing strong, sustainable and ethical relationships also means that SES-imagotag must make itself available to answer queries and questions.

Please reach out to your contact person at SES-imagotag or email ethics@ses-imagotag.com should you have any question regarding the application of or want to report the infringement of any of these policies:

- Labor Rights Policy;
- Human Rights Policy;
- Anti-Discrimination, Anti-Harassment and Promotion of Diversity Policy;
- Code of Ethics;
- Supplier Code of Conduct.

If you are an external or occasional contractor of SES-imagotag please email ethics@ses-imagotag.com.

For additional information on the reporting mechanism at SES-imagotag please read the [Whistleblower Policy](#).

Policy Updating

This policy will be periodically updated to reflect:

- relevant changes;
- progress on environmental targets;
- alignment with SES-imagotag's strategy and international best practice.

The policy will be reviewed annually in Q2.

Authorized by the Chief Executive Officer, SES-imagotag