




CSR ANNUAL REPORT

2022 report



MG TECH

Meet the future of industry



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MG TECH Group headquarters
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France

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Freepik, Sébastien Marchand

EDITORIAL

2021-2022 has been a difficult year, exasperated by the consequences of the health crisis, raw material increases, supply chain delays and geopolitical instability while still dealing with the dramatic consequences of global warming as reported recently by the IPCC (Intergovernmental Panel on Climate Change).

We have also taken the decision to strengthen our CSR organization giving even more weight to these subjects within our governance bodies with a dedicated CSR steering committee that I chair.

This year was also challenging for the workforce. Our teams have managed to carry out various projects despite the constraints. We were able to follow our export strategy by opening of our first Canadian subsidiary. Our graphic identity has evolved to comply with a new international brand position.

Today, we are midway through our 5.0 strategic plan. Given the situation, we have to continue adapting in order to be able to develop and activate our growth levers.

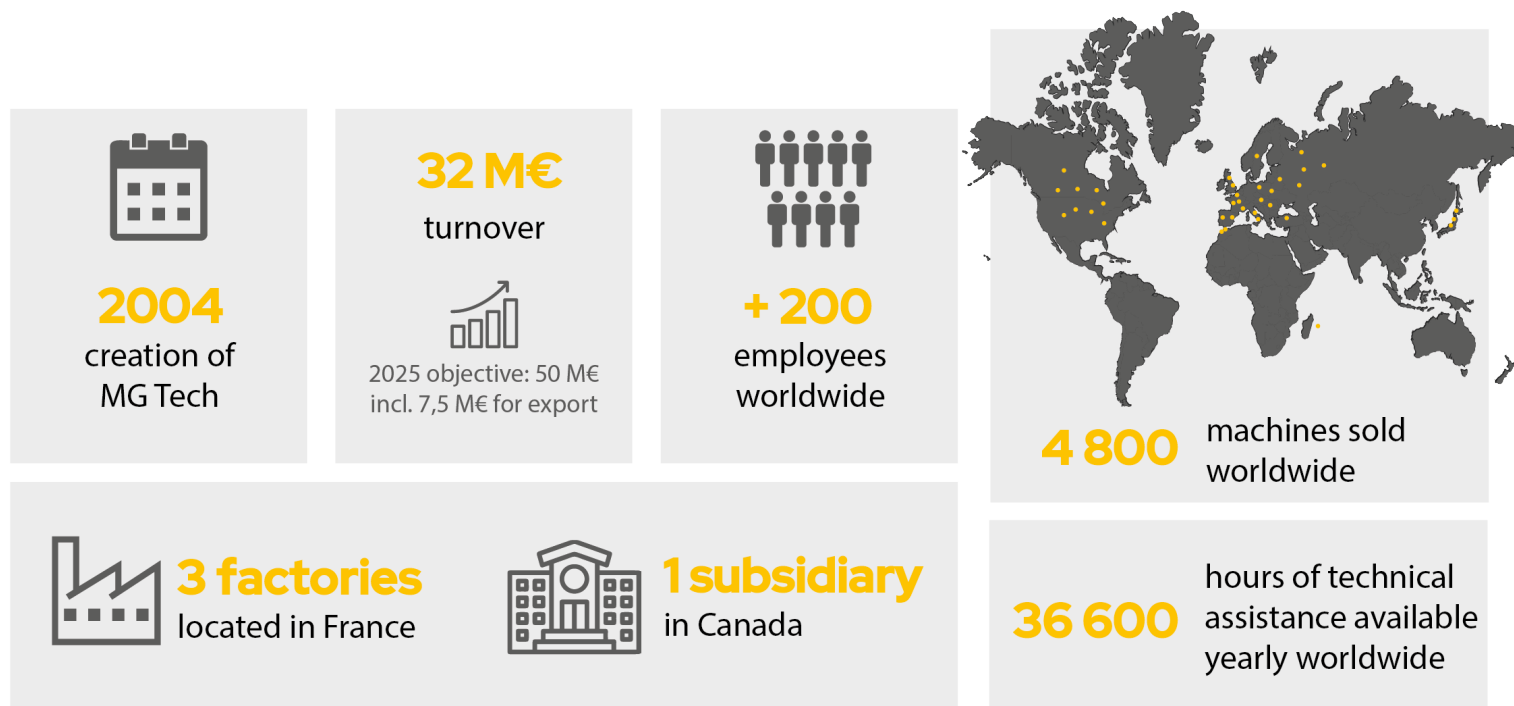
We remain fully committed.

Eric Gautier
MG Tech Group CEO



OUR CORE BUSINESS: END-OF-LINE PACKAGING LINES

KEY FIGURES



38/100

In December 2021, Ecovadis realized a CSR evaluation about MG Tech, based on our four pillars: social, environment, business ethics and responsible purchasing. We took the initiative to create a dedicated CSR steering committee. We also decided to work with a consulting agency during the 2021-2022 fiscal year in order to establish the foundations of our CSR strategy and to upgrade team's skills. Our objective for the next fiscal year is to obtain 50/100.

OUR 3 AREAS OF EXPERTISE

CARDBOARD

Our packaging experts work in collaboration with your packaging and purchasing teams as well as with your cardboard suppliers in order to develop and/or modify your packaging optimising cardboard and machine costs.

ROBOTICS

MG Tech has developed its own Delta and polyarticulated robots (two - three - four - five numerical axis). MG Tech also integrates all types of partners' robots (conventional, cobot, scara...).

PROJECT MANAGEMENT

MG Tech gets involved with its customers to respect their deadline, cost and quality objectives. A team is dedicated all along the customer project. The MG Tech group is able to mobilize, at any time, the required human and technical resources to achieve the goals.

STRATEGIC BUSINESS AREAS

PACKAGING

Solutions for smart factories

- > Overpackaging
- > Case erectors
- > Case packets
- > Palletizers
- > Complete end of lines

MOVE

Industrial assistance robotics

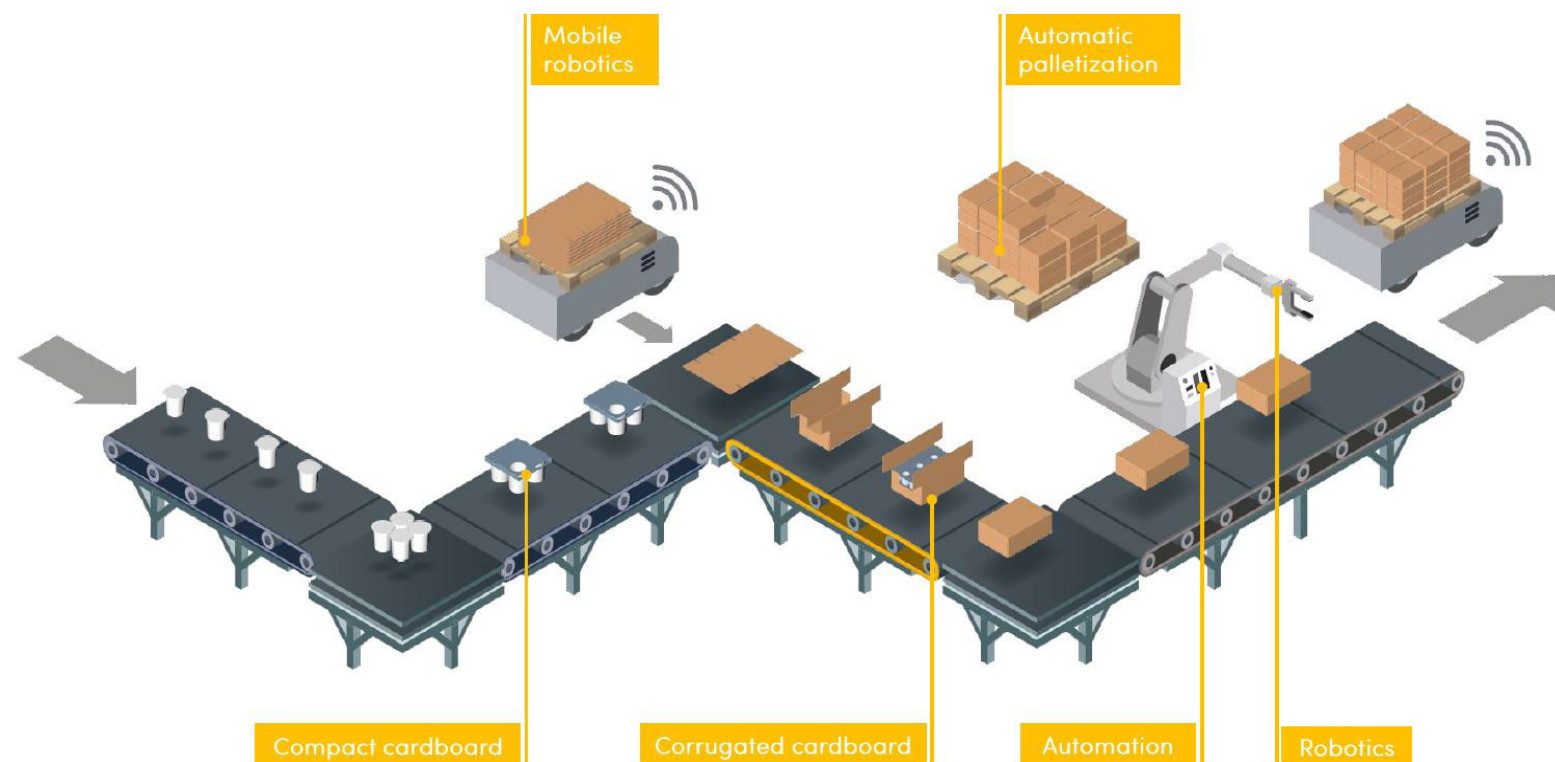
- > AGV
- > AMR

SERVICES

Keeping your equipment rolling

- > Diagnosis and troubleshooting
- > Machine retrofit and continuous improvement
- > Spare parts
- > Training and help for commissioning
- > Equipment maintenance

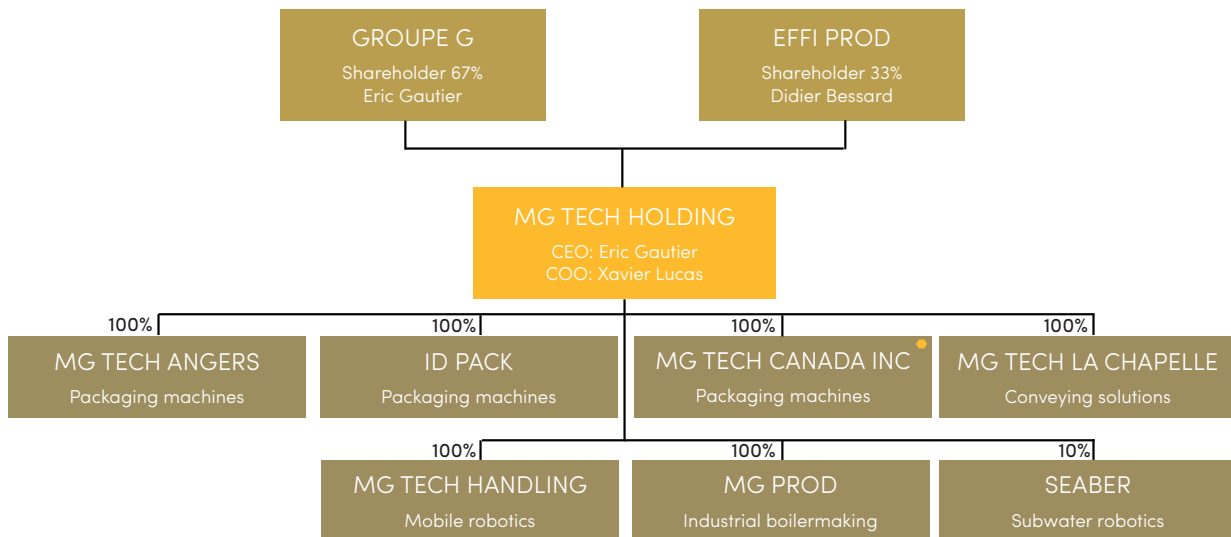
OUR COMPETENCIES



PILLAR ONE: GOVERNANCE

CAPITAL FLOWCHART

MG Tech Group capital flowchart at 09/01/2022



● opening in June 2022

EXECUTIVE COMMITTEE

The executive committee meets each month and checks the evolution and the compliance of the actions with the 2021-2025 strategic plan.



Eric Gautier
CEO



Xavier Lucas
COO



Nadège Louineau
Finance/Admin.



Laurent Morazin
Sales



Charles Girault
Business Developer



Mathilde Derouet
Marketing/Communication



Thierry Navarre
MG Tech La Chapelle



Ludovic Habert
MG Tech Angers



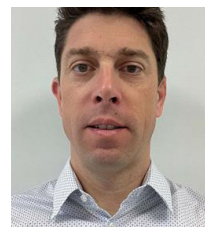
David Bainier
ID Pack



Cédric Guerin
MG Prod



Guillaume Chiron
MG Tech Canada Inc



Gaël Bureau
Customer service



Serge Pitois
Products



Fabrice Breheret
R&D - Indus - ERP



Gabriela Cerda Guzman
Human Resources

The executive committee set a new strategic plan called «Plan 5.0». It defines the main areas aligned with the sales objectives to achieve a 50 million euros turnover by 2025.

Each department has mapped out its roadmap using its proper KPIs. Every month, the executive committee verifies the reporting and the progress of our projects.

A NEW CSR STEERING COMMITTEE

A new internal steering committee was nominated for 2021-2022 to incorporate different departments and skills.



Top, left to right: Eric Gautier (CEO), Mathilde Derouet (Marketing/Communications)
Bottom, left to right: Maël Michel (Quality), Amandine ROMAN ROS (Communications), David Renouard (Purchasing), Cynthia Leduc (HR)

The CSR steering committee meets with an external consulting agency every two months for training on a specific CSR topic. Diverse exercises are carried out helping to identify the challenges and priority actions. All the CSR committee's work is presented to the executive committee for validation.

The MG Tech CSR strategy follows five pillars: governance, work conditions and relationships, customer relationships, environment, territories and communities.

The 2021-2022 year was dedicated to structuring our CSR strategy. The major projects were:

- > the creation of our code of conduct in line with our values, which also includes a chapter concerning the social and human rights,
- > the implementation of our purchasing policy.

MATERIALITY MATRIX

The CSR approach is structured around major challenges specific to the industry sector. In 2022, the CSR steering committee presented these challenges with a «materiality matrix» to integrate all the growing expectations of the stakeholders. This matrix prioritized the main challenges the Group has to face and helped determine its priorities.

Based on the five pillars (Governance, Environment, Work conditions and relationships, Customer relationships, Territories and communities), a score was given according to the importance of each challenge for our external and internal stakeholders, as well as a score for the importance of the sector. The final results of the internal and external challenges were represented on the matrix.

4 crucial challenges emerged:

- > health and safety at work,
- > integration of non-financial criteria into the corporate strategy,
- > responsible consumption,
- > creation of jobs with skill development.

Internally, the «materiality matrix» is a tool allowing to build and share the CSR vision of the company. It is also a political device guiding the roadmap and the action plan of the Group.

STAKEHOLDERS MAPPING

The relationships with our stakeholders are carried out through different communication mediums, at different period of the year and frequency depending on each type of actors.

Internal	Collaborators	Group intranet (MyMGTech), internal newsletters, TV screens, billboards, 1 annual teambuilding day, annual and professional interviews, welcome booklet, code of conduct and values charter, Group figures presentation, HR portal
	Staff representative Social and economic committee	Social calendar, collective agreements, meetings, reports
Sales	Customers Key Accounts	Group website, social media, Ecovadis platform, sales meetings, press interviews, InUse private platform
	Public and private funders Banks and Shareholders	Group website, social media, Ecovadis platform, Executive committee meetings, business meetings
Public institutions	Dirrecte Urssaf Work inspection	Letters, webservice platforms, emails

PILLAR TWO: WORK CONDITIONS AND RELATIONSHIPS

TRAINING



The continuous training is considered necessary and desirable for all employees. They are encouraged to express their objectives and expectations in terms of career evolution during the professional interview.

Number of employees who attended training during the 2021-2022 fiscal year

	REGULATORY	SOFTWARE	BUSINESS	SAFETY
MG TECH HOLDING	21	1	43	26
MG TECH LA CHAPELLE	8	-	4	-
MG TECH ANGERS	48	3	23	3
IDPACK	41	4	12	3
MG TECH HANDLING	5	-	-	1
MG PROD	1	-	3	0

YOUNG PEOPLE IN COMPANIES

MG Tech Group is appealing thanks to our sector and dynamism. We have developed partnerships with different schools. The recruitment of apprentices and interns is an enriching period for everyone. In October 2021, a welcome day was organized with the Executive Committee to facilitate the integration of new comers within the Group.



21 INTERNS



9 APPRENTICES

NEGOTIATION OF A NEW WORKING TIME AGREEMENT

The objective of the new company agreement, applicable from January, 1st 2022, is to adapt the company social rules to be coherent with the challenges the company faces:

- > Adaptation to the environment which is always changing,
- > Adaptation to the production capacities,
- > Adaptation to the Human Resources management.

The agreement has been also reviewed to harmonize the rules between the different entities of the MG Tech Group, allowing better conciliation between private and professional lives through the compensation time.

INTERNAL PROCESS MAPPING

The implementation of our ERP during the year enabled us to map all internal processes to better understand the global functioning of the Group, from the market identification to the final customer.

Thus, each department is connected to other through information and production links. It is a way of objectively understanding the work organization. Collaborators can identify precisely the source of the elements they need and know the purpose of their job. The process mapping allowed us to get an overview of the interdependent relationships and highlight daily work.

This year, we have 57 detailed documents answering four main objectives:

- > Formalize MG Tech practices and operations
- > Analyze optimization needs or possibilities
- > Capitalize on MG Tech skills and expertise
- > Facilitate the communication to the teams and the new employees.

PILLAR THREE: CUSTOMER RELATIONSHIPS

MEASURE OUR NPS

The Group is based on the NPS, Net Promoter Score. This indicator is equivalent to the difference between the percentage of promoters and detractors answering the following question: «How likely are you to recommend MG Tech to a friend or a colleague?». Customers answering between zero and six are considered as detractors. Those who rate between seven and eight are neutral and the ones between nine and ten are promoters.

This scale allows calculating the NPS and also to receive improvement suggestions from our customers. All our satisfaction surveys can be consulted on MyMGTech intranet by our employees without any restrictions.



We carry out three different surveys to collect «hot» feedback (and quickly correct issues if necessary) and «cold» feedback to analyze the customer satisfaction in more depth.

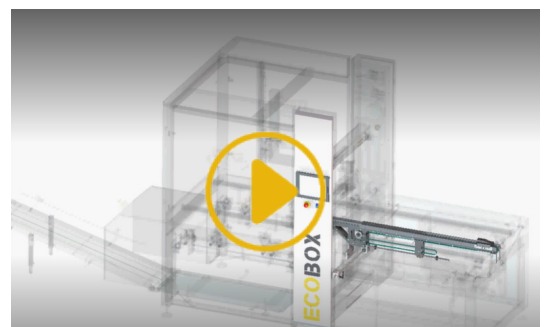
IN USE PLATFORM: EQUIPEMENT-AS A-SERVICE

This year, we have launched our In Use platform to all our new customers ensuring a better level of service, as well as the possibility to access customized reports and detailed analysis, during preventive and curative maintenance operations, avoiding paper use.

This integrated library gathers all the machine documents and events. This is also a ticketing platform where customers can speak with our technicians directly.

«PUNCTUAL LESSONS»: INITIATING CUSTOMERS INDEPENDENCE

Short training videos, called «Punctual Lessons», are now available through the HMI screens of our latest Ecobox case erector. 14 punctual lessons can be watched for free on the 12" screens.



OUR NEW GRAPHIC IDENTITY

2022 marks the launching of our new graphic identity which accompanies the opening of our Canadian subsidiary in Montreal.

OUR POSITIONING

We are MG Tech, designer and manufacturer of smart solutions for industrial production and packaging sectors.

OUR MISSION

Develop the best in collaborative robotics and automation technology to accompany our customers with productivity and industrial efficiency.



OUR VALUES



Transparency

Speak the truth,
speak clearly.



Team spirit

Innovating better
together.



Customer satisfaction

Seeing you happy
makes us happy.

OUR TAGLINE

“ Meet the future of industry ”

An inspiring tagline that means the meeting made possible by MG Tech Group between our customers (and also our partners, future employees...) and their future.

PILLAR FOUR: ENVIRONMENT

BUILDING EXPANSION: SAVED ENERGY

The Champlocé-sur-Loire site as well as the expansion carried out in the Chapelle-Achard site were designed in accordance with the «smart building» principle. They meet low-carbon building standards thanks to an automated control and management of air conditioning, energy and resources.

The operation is based on many sensors where data is collected and used to improve maintenance operations and living comfort. Smart actuators are added to the sensors enabling the execution of commands on the electrical devices.

DIGITAL PAYSLIPS

For environmental reasons and consistency with CSR approach, the payslips have been dematerialized since the beginning of February 2022. Payslips are available in digital version and stored in a digital safe. 90% of MG Tech employees accepted this proposition.

This space is totally centralized and safe. It is provided by MG Tech and it also allows employees to store all types of personal documents (invoices, identity papers...) having a ten Go space (except payslips and HR documents) for the user only.

ECO-DESIGN

Our machines are designed respecting the 2009/1205/CE European standard which sets the requirements in terms of eco-design for energy products.

We use low energy consumption motors in accordance with the CEI60034-2-1 standards with energy classes complying with the CE N°640/2009 European directive. It leads to energy savings up to 5% of absorbed power.

Our mechanical engineering department designs all our products applying the NF01-005 standard which determines the environmental profile, defines the improvement guidelines and calculates environmental indicators. The average of our machine recyclability is up to 95%.

Our programs are built with an energy saving approach. We use electrical components with a low energy consumption. The pneumatic pressure is optimized depending on the applications and the load supplied, generating a decrease in consumption related to a 6 bar pressure which can reach 17%.

5%

of energy savings thanks to the use of low energy consumption motors.

+95%

The average recyclability rate of our machines.

17%

less consumption on our equipment with the use of our new components.

SPORT SPONSORSHIP

MG Tech has had a partnership with the skipper Benjamin Dutreux for two years.

Benjamin has been relying on his new boat and his shipyard, Eole Performances, two good and efficient technical bases since beginning 2022.

Giving support to Benjamin means also supporting the Team Guyot Environnement project, a Breton company which asserts its leading role as a creator of resources. As a regional leader in the recovery of waste and materials, taking part in Benjamin's and the Guyot Environnement's project was natural for MG Tech.

We share his new challenges:

- > Attending all the IMOCA Globe Series races,
- > Playing at the forefront,
- > Proud to wear Team Guyot environnement – Water Family colors.

This year is a learning phase to discover the new boat and to be stronger in the future.



PILLAR FIVE: TERRITORIES & COMMUNITIES

THE WATER FAMILY RAISES AWARENESS FOR EMPLOYEES' CHILDREN

The main objective is to educate about the preservation of water, our health and all the living creatures. The association has developed educational programs for schools, companies and event organizers since 2009. Everything is done with a positive educational approach to scientific ecology and promote good practices. MG Tech supports the Water Family association through its partnership with the skipper Benjamin Dutreux.

MG Tech organized Open House on each site for the employees' families at the end of 2021. Quentin, from the Water Family association, came to raise awareness to the employees' children on our three production sites.

The Water Family association went to schools of some employees' children in September 2022.



A NEW PURCHASING STRATEGY

MG Tech has set up a centralized purchasing organization harmonising and securing purchases as well as making contracts with suppliers to increase the Group's profitability. The idea is to be able to better control the overall supplier relationships and to inform employees internally about the supplier panel.

The purpose of the purchasing policy is to provide a long-term vision of what purchasing should be within MG Tech. It helps to determine the purchasing strategy as well as the associated action plans. The purchasing policy is based on five pillars:

#1

AN AMBITIOUS 2020-2024 CORPORATE STRATEGY «PLAN 5.0»

#2

AN OVERALL APPROACH OF SUPPLIERS

#3

OPTIMIZING AND SECURING OUR PURCHASES

#4

CSR AT THE HEART OF PURCHASING STRATEGY

#5

STRUCTURING THE RELATIONSHIPS WITH OUR SUPPLIERS

LOCAL PURCHASING STRATEGY

The Purchasing department is at the heart of the MG Tech CSR approach. Buying responsibly includes many things like favoring French or local products whenever possible or European products. First of all, our carbon impact will be lower, and at the same time we are strengthening a virtuous economic ecosystem, by focusing on the local industrial and human know-how.



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