



**CORPORATE SOCIAL
RESPONSIBILITY**
Annual action report
dated 30 June 2020



 **STERIMED**
INFECTION CONTROL



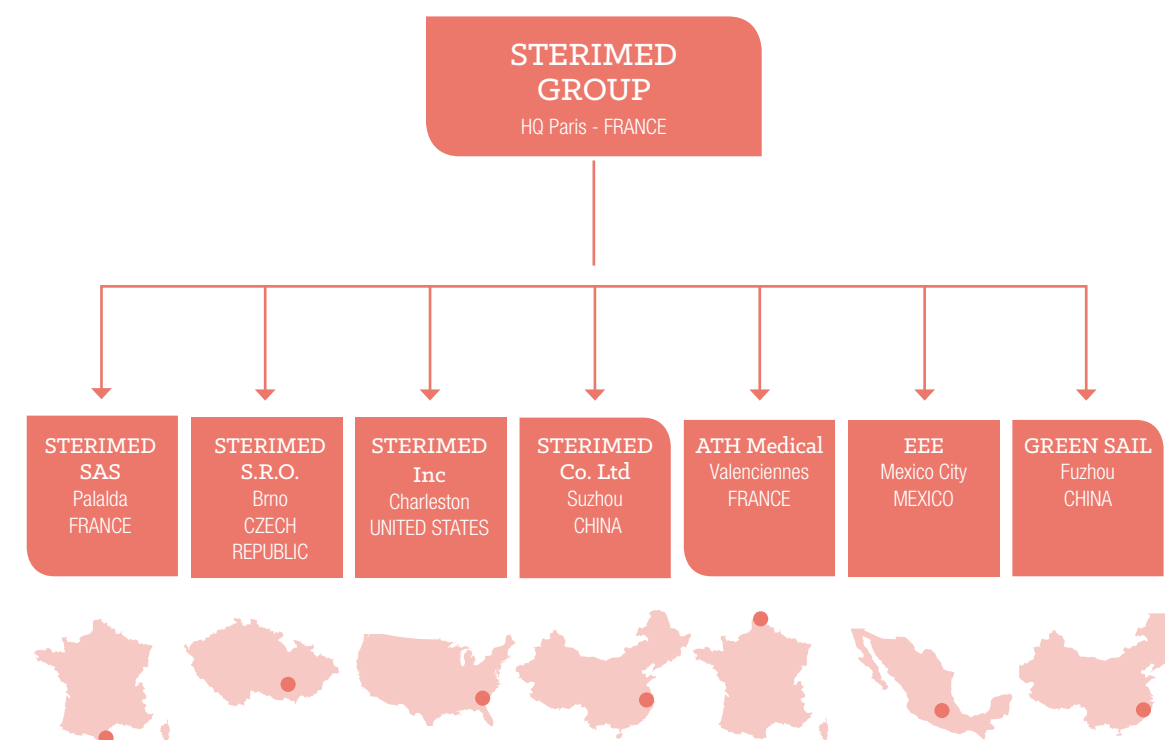
Summary



1.1. Our mission

Sterimed is one of the world leaders in the production and supply of sterilization and infection prevention packaging solutions for hospitals and medical pouch and device manufacturers.

With a century-old tradition in the field of papermaking and decades of experience in the manufacture and distribution of packaging solutions for medical devices, Sterimed works alongside its customers and partners, innovating with products and services to improve patient protection, environmental performance, comfort and the ease and cost of use of its products.



Our commitment: to prevent and combat infections

Our teams strive with our customers and partners on a daily basis to:

- 1 - Ensure the sterilization** and maintenance of the sterile state of medical devices until they are used
- 2 - Guarantee the protection** of patients and healthcare personnel
- 3 - Offer safe, effective and compliant products** that meet the requirements of the health industry
- 4 - Innovate to increase safety** and competitiveness while displaying constant concern for environmental protection
- 5 - Respect the environment and our communities** in a spirit of cooperation.

STERIMED AROUND THE WORLD

- STERIMED Infection Control HQ
- Porous Web Manufacturing
- Converting, Warehousing and Customer Service Support Sites
- Sales Offices
- Members of STERIMED Group
 - ATH Medical Traceability Systems HQ
 - Especialistas en Esterilización y Envase (EEE) HQ
 - GREEN SAIL HQ



We meet the expectations of our customers and contribute to patient safety by means of our expertise and innovative solutions for the prevention of infections:

- By being a sustainable and profitable company built upon trust and individual responsibility,
- By enhancing cooperation, flexibility and skills.

We ensure that we minimise our environmental impacts:

Aware of the need to minimize our environmental impact and eager to make strategic decisions for the future, we are making more and more commitments on a daily basis. We place great value on creating a positive future, implementing tailored processes and monitoring the extent to which our partners share our vision and values.

UP TO 99%
of renewable resources

RENEWABLE BASED BIOMASS ENERGY

OPTIMIZED PRODUCT END LIFE

- Recyclable
- Biodegradable

1.2. Our values

Faced with the ethical challenges of our activity for the prevention of infections, our corporate culture is based upon certain fundamental values. We make sure that all our employees embrace and respect these values. We are thus all committed to developing the following pillars, the guidelines of our vision:

Client minded

We believe that satisfying our clients is the reason we exist. We listen to their needs and make every possible effort to satisfy them.

REMAIN UNIQUE

We develop innovative solutions thanks to our strong technical expertise and our partnerships around the world.

Work based on trust

Our working relationships are based on respect, goodwill, and accountability. We develop synergy and cooperation between all teams within our organization.

BE RESPONSIBLE

We care for the environment and we have committed ourselves to the highest requirements in terms of health and safety. We act with honesty and integrity.

Committed to excellence

We succeed in doing well the first time everything that we undertake. Quality and excellence are our goals every day and in every action.



STERIMED IN NUMBERS

900 employees around the world
Women and men of **more than 20 nationalities** working in the medical packaging sector

World No. 1 in the sterilization packaging sector

20 sites on **3 continents**, of which **8** are production sites

100% DEDICATED Facilities
Fully devoted to the health market

Sales
30% of sales in Europe, the Middle East and Africa
35% in North and South America
35% in Asia

€M 150 of turnover

OUR CORPORATE AND ENVIRONMENTAL RESPONSIBILITY STRATEGY



2

2.1. Chairman's message

Thibaut Hyvernat
Chairman & CEO



“

At Sterimed, we place great importance on developing a high degree of consistency between the commitments we make to our customers and those we make to our employees and the environment. Our teams, sites, skills and knowledge are mobilized every day with a view to a single goal: to innovate and better serve our customers.

We have sought to implement a Corporate Social Responsibility (CSR) policy devoted to the major concerns of our world.

The success of this CSR policy must be conveyed to the highest level of the company. The same must apply with regard to all our employees. Our CSR commitment is thus based on co-construction and trust in each of our employees so that we incorporate CSR into our daily lives and turn it into a driving force of production and development.

Proud of our long-standing experience and our success with the ISO 13485 and ISO 50001 standards, we wanted to do even better. We have therefore included environmental, social and corporate governance (CSR) as a criterion in all our actions and investments.

Therefore, we decided to commit to the ISO 26000 procedure and work on the drawing up of this standard from 2019 onwards. ISO 26000 is one of the most demanding sustainability standards for companies.

With the above in mind, we have conducted a large number of initiatives over the past two years, including:

- An audit to assess our level of CSR maturity,
- Setting up working groups to identify ways of improving our practices,
- Making CSR an integral part of our management reviews and including CSR criteria in all our policies, values and individual goals,
- Setting up a Governance Committee and the formalization of the challenges and lines of engagement for the Sterimed Group.

Generally speaking, we have decided to develop our CSR practices through six strategic axes:

- 1 - Reducing** our consumption and our environmental footprint
- 2 - Promoting** the development of our employees
- 3 - Developing** sustainable business relationships based on ethics and compliance with regulations
- 4 - Controlling** the risks faced by patients and users
- 5 - Designing a sustainable industrial system**
- 6 - Developing** local partnerships

We are proud to present the Group's first annual CSR report. We hope you enjoy reading it and we thank you for the trust you have placed in us. ”



2.2. CSR governance

The Sterimed Group's CSR policy is steered by the CSR Governance Committee, a dedicated organization made up of representatives of cross-functional tasks and experts in the different areas of CSR (Human Resources, Quality, Safety, Purchasing, Energy, Environment and Legal and Regulatory Affairs).



Aware of the importance of ensuring the establishment and monitoring of good practices so that they are consistent and effective over time, the aim of the members of the Governance Committee is to implement the strategy and foster its progress with the operational directors at each of the sites around the world and all the employees.

The Operational Directors define and deploy their objectives at the industrial sites in keeping with the CSR strategy coordinated at a Group level. The Group has initiated a study to structure its CSR approach on the basis of the ISO 26000 standard. An action report will be submitted to the Executive Committee each year.





OUR COMMITMENTS

3. Our commitments

Quality and excellence are our primary goals, every day and in every action. We pay particular attention to transparency, both in the manufacture of our products and in our daily practices. The company's internal conduct guidelines are based on shared values which are essential for its sustainability.

In order to follow through on this undertaking as well as we can, we are committed to a sustainable and ethical methodology for our practices, based on five fundamental principles:

5 FUNDAMENTAL PRINCIPLES



Environment and Energy

Reduction of our consumption and our environmental footprint

- Reduction of our energy consumption
- Control of our carbon footprint
- Valorization of our water capital
- Valorization of our waste: Reduce, Reuse, Recycle
- Eco-design



Human development

Promote well-being at work and the development of our employees

- Guarantee safety
- Create value by means of training
- Preserve health and well-being
- Promote diversity and disability equal opportunity policies



Local partnerships

Promote the development of our sites to provide support for our own development

- Partnerships and sponsorships
- Support for local employment and education



Company sustainability

Design a sustainable and profitable industrial system

- Individual commitment and empowerment
- Digitalization and modernization
- Regulatory oversight
- Business ethics by means of a code of conduct



Patient protection

Control the risks faced by our final customers: patients and users

- Control of risks for the patient
- Prevention of infections
- Education in good practices



OUR ACHIEVEMENTS

2019/2020

4.1. Environment and Energy



We are constantly improving the energy performance of each of our production sites by setting up dedicated energy management systems.

In view of the challenges facing the climate and the importance of preserving resources, we place great value on reducing the energy impact of our manufacturing processes. We have therefore set up an energy management system at each of our production sites. 95% of our energy is consumed at our site in Palalda, on which our efforts to reduce our energy consumption are logically focused. In this regard, a biomass energy production plant was opened in 2014 to replace almost all the fossil fuels previously used.

For several years we have had a committee dedicated to energy management, made up of experts associated with areas of energy consumption, whose task is to analyse and improve the energy performance of production sites.

Based on the implementation of the ISO 50001 standard, the aims of this committee are:

- To develop a policy for more efficient energy use and to monitor its efficiency,
- To set targets and goals for the implementation of the policy,
- To leverage data to determine energy use and consumption more accurately, make the pertinent decisions (actions, training, communication, investments, etc.) and measure the results,
- To continuously improve energy management.



Our policy is to constantly reduce the energy footprint of our products and manufacturing processes by:

- The reassessment of our production practices,
- The realization of structuring and innovative investment projects,
- The purchase of low-consumption products and services,
- The development of an energy reduction culture.

Our overall approach to optimizing consumption is based on the following points:

- Optimization of energy sources: electricity and steam, the main energy sources, are supplemented by gas, which accounts for just 3% of our consumption.
- Optimization of the process: the Sterimed Energy Committee monitors the technological developments with regard to materials that can improve performance.



OUR PRODUCTION SITES



PALALDA SITE (FRANCE)

- ISO 13485: 2016
- ISO 50001: 2011



BRNO SITE (CZECH REPUBLIC)

- ISO 13485: 2016
- ISO 9001: 2015



CHARLESTON SITE (UNITED STATES)

- FDA 21 CFR 820



SUZHOU SITE (CHINA)

- ISO 13485: 2016

Energy performance indicators over the last five years:

Energy performance indicator:

Reduction of **-15%** in the ratio of kWh per tonne produced

Steam performance indicator:

Reduction of **-3%** in the ratio of kWh per tonne produced



We control our carbon footprint by reducing our consumption and implementing more innovative solutions

We are convinced of the importance of staying within the objectives of the Paris Agreement and we are committed to measuring, controlling and reducing our carbon footprint. Our goals hinge on the need to minimize our environmental impact by capitalizing on renewable energies in order to conserve natural resources. Our policy involves promoting renewable energy supplies and developing short routes for the entire supply chain as soon as possible.

This policy of controlling and reducing our carbon footprint is specifically reflected in:

The construction of a biomass boiler at our main production site in order to ensure our steam consumption. In 2014, we replaced the steam produced by the combustion of fossil fuels with steam produced by means of wood combustion, thus significantly reducing our impact on the environment.



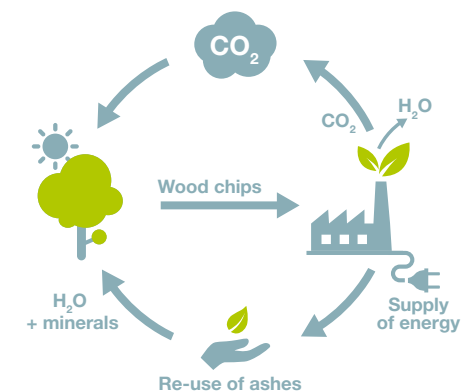
As a result of the support and control of internal and external experts, we are improving and organizing regular

audits that bear witness to our commitment to limiting greenhouse gas emissions.



-16,000 tonnes of CO2 avoided each year in average

Principle of biomass energy production



We value, respect and preserve water resources:

Water is essential and it is becoming increasingly scarce. Threatened by demographic growth, climatic disruptions and exponential urban development, it lies at the heart of the concerns of authorities, professionals and consumers. At Sterimed we place high value on implementing innovative technologies to reconcile effective industrial activities and the preservation of resources. We develop our products with a constant effort to optimize materials and energy. This is built into our internal development process.

Our Palalda production site is located on the right bank of the river Tech. The primary source of water for our site, this

river is key to our manufacturing process. It is therefore essential for us to preserve this natural resource during its extraction, use, recycling and purification.

In order to treat and return part of the water used in our production processes to nature, we operate a wastewater treatment plant. This enables us to continuously treat and control the quality of the water in terms of its turbidity, pH and temperature.



95%

of the water extracted is returned to the natural environment after passing through a wastewater treatment plant. The remaining 5% is returned to the atmosphere as water vapour by evaporation in our manufacturing process.

-9.3%

of water consumption over the past five years.



We reduce our material consumption at source, we reuse our related products and we recycle our waste:

We apply the 3 Rs rule - Reduce, Re-use, Recycle. We constantly ensure that we use the right amount of raw materials, thus reducing the production of these materials at source, with a positive impact on CO2 emissions. Our waste management policy is based on two pillars:

- Reducing the amount of waste generated on the production sites.
- Increasing the proportion of recoverable waste. We thus scrupulously ensure that all waste from our activity

follows the right channel, leading to either recycling or recovery.

Since 2017, we have implemented a system to recover our cellulosic waste from the treatment plant. Previously sent to landfill, it is now incinerated in our biomass boiler.

In 2019 we also launched an industrial project to recover all the paper waste from the Palalda site and produce energy, and this should be completed in 2021.



-11%
of waste reduction
over the last five years.

In 2018, close to
57%
of our waste was recovered.

The conception, design and life cycle of our products are considered in an environmentally responsible manner

Our sustainable development policy ensures the responsible industrial management of our resources, taking into account environmental issues, the consumption of raw materials and waste management.

We are committed to guaranteeing that users have products whose environmental impact is minimized.

As soon as practicable, we develop products from renewable bio-sourced

raw materials, increase their lifespan and recycle them at the end of their life.

The environmental impact is an integral part of the key steps in the innovation processes of our products. As environmental responsibility is a major concern, our R&D teams ensure the continuous improvement of our practices without compromising the quality and safety of our products.



OUR RANGE OF STERIMED PRODUCTS AND THEIR ENVIRONMENTAL PROPERTIES

	DIRECT SEAL & SURFACE TREATED PAPER WEB	COATED PAPER WEB	REINFORCED SURFACE TREATED & COATED WEB	POLYBOND™ COATED WEB
RENEWABLE CONTENT	95 to 99%	90 to 95%	75 to 90%	60 to 75%
ORIGIN OF MAIN RAW MATERIALS	Pulp from renewable sustainable well managed forest resources			
MANUFACTURING CONDITIONS	Global sustainable development focus ISO 26000			
PRODUCT END LIFE				
RECYCLING	✓	✓	✓	✓
BIODEGRADABILITY	✓	✗	✗	✗



4.2. Human development

We promote well-being at work and the development of all of our employees.

€M 1 in investments in our human resources
 (health and safety budget, training budget, Working council budget, SteriTeam budget)



Guaranteeing the health and safety of its employees is a fundamental principle for the Sterimed Group.

At Sterimed we believe that all employees have the right to a working environment that guarantees their health and safety. The prevention policy of each site ensures a reduction in the number of occupational hazards at all levels.

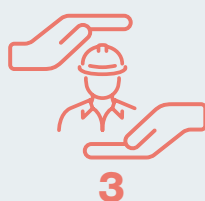
THIS POLICY IS GOVERNED BY THREE FUNDAMENTAL PRINCIPLES:



1
All occupational accidents and illnesses can be prevented



2
Empowerment, particularly through training, forms the basis for the safety policy



3
Working in complete safety is fundamental, as neither quality nor productivity should be to the detriment of safety

Our ambition is to reduce risks and stress factors at all levels, at all of the group's sites. We also rely on each of our employees to adopt a responsible attitude and strive for the improvement of their working environment.

The safety policy of our sites is also reflected in specific initiatives:

- Promotion of an annual safety management plan,
- Annual monitoring of projects to improve safety and working conditions,
- Actions to reduce stress at work stations,
- Deployment of a safety training plan for all employees.

Year after year, each Sterimed Group site focuses on these fundamental principles in order to obtain the following results:

100%
of our employees who joined us in 2018-2019 trained in the basics of safety

100%
completion of training and refresher courses on the core elements of safety (permits, OHS, authorizations)



Training
enables us to develop and enhance the skills of our employees.

Our employees' training is essential for us. We believe that, through understanding, we can create the commitment and involvement necessary to move forward and innovate independently on a daily basis. By maintaining and developing skills, we can also meet the market requirements with versatile employees who display their commitment in responsible teams.

Our training process enables us to guarantee our know-how and, consequently, the quality of our products in order to meet our customers' needs while improving the company's performance.



All Sterimed employees benefit from a development plan throughout their career:

- An induction course is organized for each new employee.
- A job training plan is also systematically implemented within the framework of the recruitment or internal development.
- A provisional training plan is established each year, taking into account the training needs in keeping with the company's strategic axes.



OUR STRATEGIC AXES FOR THE TRAINING AND DEVELOPMENT OF EMPLOYEES ARE AS FOLLOWS:



The amount of time devoted to training totalled **27 hours** per employee in 2018



100% of employees trained over a period of three years

Professional growth
Creating an environment that puts people at center stage and seeks the growth of each employee.

We believe that the commitment of our employees requires good working conditions, the development of their skills and the trust-based relationship that we maintain with them.

Since 2015, we have been building a company based on the *Great Place To Work* model.

By means of this model we seek to promote the development of our employees by improving their well-being at work, their trust-based relationship with the management and their sense of pride in belonging to the Sterimed Group.

We conduct a survey of all the group's sites on a regular basis in order to track the evolution of the *Great Place To Work* model. The results of the survey enable us to identify work axes for improving quality of life and employment relationships.



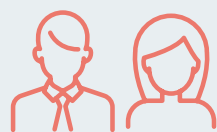
With regard to the improvement of working conditions, we have:

- **Developed workspaces** designed for cooperation and individual and collective efficiency;
- **Organized talks by experts** on chronobiology and sleep balance;
- **Organized regular involvement of an osteopath;**
- **Encouraged the holding of sporting activities** during the lunch break.

We offer conditions that encourage everyone's development; this also requires strong management and organizational actions, such as:

- The development of a suggestions system, thus promoting employee initiatives;
- The deployment of an internal communication policy, based on transparency and listening to all stakeholders;
- Maintaining constructive social dialogue with the workforce's representatives.





In France, in 2019,
our gender equality
index achieved
a score of

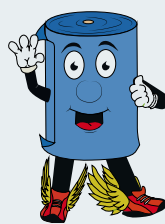
88/100
points

(76/100 in 2018)



100%

compliance with the
employment obligation for
people with disabilities



HandiWings

Travailler en confiance
avec nos différences

HandiWings, a committee made up
of employees, is committed to the cause
of people with disabilities.

By means of multiple partnerships with
specialized associations and companies,
specific actions are put in place to raise
funds and encourage attendance at
forums and congresses.



**Promoting and encouraging diversity
in all its forms by raising
employees' awareness of respect for dignity,
non-discrimination and equal treatment.**

We are convinced that diversity within the company, in all its forms, in all its professions and at all levels, is a factor that promotes creativity and progress. The variety of careers and experiences of the women and men who make up the company's workforce has a beneficial influence on innovation, development and mutual enrichment.

Our company operates in France and abroad within a context in which current socio-cultural representations can exert a strong influence on employment and professions. Convinced that these representations have an impact on professional life, for many years we have implemented specific measures to offer our employees progress in their working conditions and professional development, regardless of their gender, age or any disability they may have.

In particular, our actions focus on measures aimed at:

- **Gender equality** and job diversity;
- **Equal treatment** for all employees;
- **Combatting any discrimination** in matters of employment and recruitment;
- **Measures relating to professional integration** and the retention of workers with disabilities.

We are particularly keen to address the subject of disabilities within the company as a vector of progress. Since 2015, our Disability Committee has encouraged employees to:

- **Stress the ethical values of diversity**, exchange and equal treatment within the company;
- **Include workers with disabilities** in teams;
- **Raise employee awareness by means of significant initiatives** on the subject of disability, in order to break down taboos;
- **Support and integrate numerous local organizations and associations.**



4.3. Patient protection



**We strive to control the risks
faced by patients and users.
For our teams, this involves
abiding by the international standards
in the field of health**



We are an active player in the prevention of infections. We develop solutions that contribute to the sterilization and maintenance of medical devices in patient care pathways.

At Sterimed, we seek to contribute to reducing the rate of prevalence of nosocomial infections and prevent the emergence of multi-resistant bacteria.

It is essential for us to provide our customers with solutions that guarantee protection against nosocomial infections.

**The application of standards is a safety factor
for the user.**

The first of these is the ISO13485 standard specifying the requirements of the quality management systems, which we regard as our working reference. We are proud to be ISO13485 certified for most of our sites.





• Environmental and industrial efficiency

Sterimed products have a high reputation on the market for their safety, reliability, efficiency and environmental performance.

This is why we claim to be a player fully devoted to the health market and respect for the environment.



• Partners

Given the major role of our products in sterile packaging systems, we seek to play an active role in the prevention of infections.

This requires participation in different working groups that contribute to providing expertise, knowledge and references, the aim of which is to protect patients. Over time we have become major partners in the following clusters:



• Awareness and training

We keep patient safety in mind by applying the principles related to medical device requirements to our materials.

Sterimed takes part in the discussions of the *Sterile Barrier Association*, bringing together players in the sterile barrier systems manufacturing market and professionals from the healthcare sector. This enables us to follow legislative developments and exchange good practices.



As a major player in a market whose standards are constantly evolving, Sterimed ensures that these are communicated, together with the best practices, to all the people with whom the company cooperates on a daily basis.



• Product compliance

We believe that standards are a means of ensuring that the requirements that contribute to greater patient safety are widely acknowledged.

We advocate this approach by means of our active participation in the standardisation committees related to sterilization packaging: AFNOR, CEN, ISO and ASTM.



To raise the awareness of our customers and suppliers and educate them on the best practices and the reliability of the protection of patients and medical personnel

As a responsible party, it is our duty to be an expert in the risks associated with care practices and to propose solutions to reduce them.

The selection of packaging materials by our customers is of paramount importance. It is important to us to work beyond the simple use of our products:

- Owing to the technical nature of our products, we make our customers' choices easier by providing them with knowledge of the standards governing the medical device packaging industry.
- We pass on our expertise so as to advise and offer turnkey solutions to our customers, validated in accordance with the methodology of the standards related to this industry.

Committed to prevention initiatives on the international stage on the importance and interest of sterilization, we regularly hold workshops and training courses for our partners, customers and distributors:



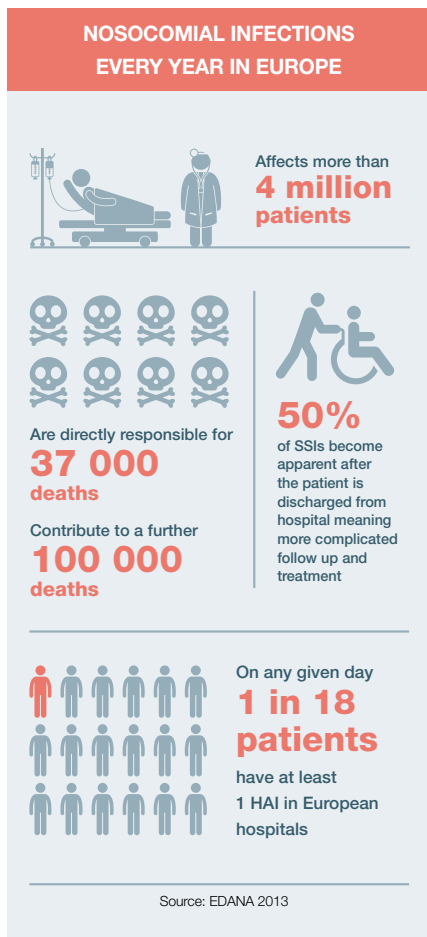
The Patient Safety Forum:

an educational seminar on micro-bacterial barrier solutions in hospitals. This is designed for all hospital personnel wishing to increase their knowledge of the field of sterile packaging (the properties of the paper and materials), understand the issues in terms of regulation and pool their user experiences.



Pack Design Day:

presentation seminars, discussions and the pooling of experiences. This increases understanding of the technical features and the manufacturing of our products.



We accumulated a total of **42 days** of attendance in 2018/19 (CEN, ISO, ASTM, AFNOR and SBA)



More than **30 talks** organized over the last three years



More than **1,000 participants** around the world



About **90%** of the participants would recommend Pack Design Day to their colleagues



2 - The establishment of a system integrating the digital technologies

We are convinced that the evolution of technologies will enable the sustainability of our company and, by extension, that of all our partners.

We are constantly rethinking and innovating with regard to our working methods, including new technologies. Our ambition is to be competitive, because access to the digital world is becoming ever simpler and it constitutes a major asset for organizations. Indeed, digitalization allows us:

- To speed up communication between people and countries, thus creating unprecedented efficiency in our actions,
- To simplify processes, in order to concentrate on improving our customer service,
- To develop the concept of an Industry 4.0 factory, helping us to attract the best talents,
- To build educational tools for health professionals to improve the dissemination of good practices.



4.4. Company sustainability

For us, the sustainability of a durable and profitable production system for everyone depends on:

1 - Empowered teams who put their skills at the service of performance

Since 2016, we have striven to achieve the overall aim of working in as comprehensive a manner as possible across the board:

- **By encouraging all our employees** to work collectively,
- **By creating autonomous work teams**, focused on customer service,
- **By developing our performances** on the basis of flexibility, versatility and individual initiative,
- **By promoting inter-departmental relations** within the company,
- **By encouraging everyone to express themselves** and initiate evolutions.

Responsible teams are deep-rooted in our work culture and each year they contribute to developing skills and increasing individual and collective performances.

We promote the development of cross-organizational working groups in order to empower the teams and to meet employees' expectations as well as we can. By means of these groups, called *SteriTeams*, we encourage trust, initiative and team cohesion in a spirit of co-construction.



3 - Monitoring compliance with the current regulations with a view to developing production methods for the future

Our goal is to offer stable solutions that are durable over time and, therefore, to ensure sustainability in our relationships with our partners. We show the utmost respect for the regulations currently in force and we continuously adapt in order to improve our management of developments.

Our aim is to assess the risks of new constraints linked to a particular regulation in order to maintain our activity at its highest level of reliability.



Every day the Sterimed teams ensure compliance with the current regulations. We carefully monitor the different developments or new requirements of our activity, but also those of related fields.

We regularly provide our partners with updates on regulatory texts by means of newsletters. This information comes from health institutions, test laboratories, advisory bodies and associations bringing together manufacturers and standardization committees.





4.5. Local partnerships

We take part in the economic development of the communities in which we operate.



1 - By supporting local associations in their projects and ambitions by means of sponsorships and partnerships

We believe in our communities and the energy that they transmit. We believe that we have an important role to play in supporting local associations in their projects, whether they are acting for charitable or sporting purposes.

Whenever possible we encourage an association in which one of our employees is involved. We therefore support our employees' civic action.

2 - By participating in economic life, for the development of local employment and education

For us it is essential to be locally recognised as a reliable employment player wherever we operate around the world.

We pay particular attention to promoting local employment and we maintain special relationships with governmental agents to foster this employment.

We also believe that the primary key to employment is education. We maintain special relationships with schools and local training courses related to the professions at each site in order to develop education and training at a local level and integrate students in keeping with the requirements of our activity.

We regularly offer jobs to students who have completed work-study programs at Sterimed.





FURTHER INFORMATION

47/49 avenue Edouard Vaillant
92100 Boulogne-Billancourt - FRANCE
Tél. +33(0)1 77 37 35 28 - contact@sterimed.fr

SEPTEMBER 2020