

# VIGILANCE PLAN 2022



# SUMMARY



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# INTRODUCTION

In order to identify and prevent violations of human rights, health and safety and the environment, the Cerba HealthCare Group applies Law no. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and contracting companies, requiring companies to assess and control the environmental and social impacts of the operations of their own activities and their tier 1 suppliers.

# GOVERNANCE

An ethics committee, created in December 2022, invites the legal, CSR, finance, internal audit and human resources departments as well as the departments of Laboratoire Cerba and Cerba Research to meet each quarter. The body's objective is to manage business ethics issues, in particular, corruption issues. In the long term, the Ethics Committee wishes to incorporate issues related to the duty of vigilance.

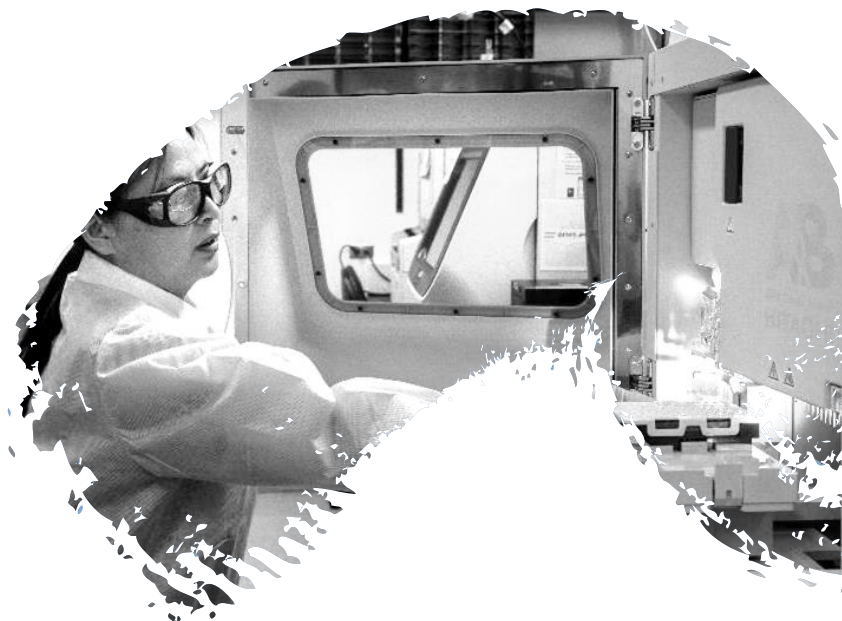


## 1. RISK MAPPING

Vigilance risks are mapped as part of the vigilance plan in order to identify the main risks associated with the operations of the Cerba HealthCare Group and in its upstream value chain. The methodology is based on a cross-analysis of the risks associated with the business sectors and the risks associated with the countries of activity. Mapping was carried out for the scope of Cerba HealthCare's own operations, as well as those of the main direct and indirect suppliers (known as tier 1 suppliers).

The risks analysed in this mapping are as follows:

- Human rights – Lack of living wages and insufficient social benefits; Freedom of association and collective bargaining; Excessive working time; Discrimination; Forced labour; Child labour.
- Occupational health and safety – Exposure to chemicals; Accidents at work; Industrial accidents; Psychosocial risks.
- Environment – Air pollution; Water pollution; Pressure on water resources; Contribution to climate change; Waste management.



The analysis of these risks was based, in particular, on the *Social Hotspots Database*, *Environmental Performance Index*, *Aqueduct*, the *Environmental Performance Index - Yale University* and the *United Nations SDG Indicators Database*. The rating assigns a risk level (on a scale of 1 to 4) to each supplier (or entity) and country pair. Assumptions have been made:

For direct purchases

- To identify the production countries in which suppliers are present, a collection campaign to gather information on the location of manufacturing sites was conducted in 2022 involving 14 suppliers with the greatest turnover. It was supplemented by supplier data from Cerba HealthCare Italia, already known to the subsidiary. This information made it possible to form location assumptions for all suppliers.
- Direct purchases have been grouped into two purchasing categories: purchases of 'Packaging and consumables' and 'Reagents, PLCs and direct subcontracting'. This last category includes three direct purchasing names, which have been pooled since most suppliers supply Cerba HealthCare with both PLCs, the corresponding reagents and subcontracting relating to PLCs.

For direct purchases, the assumption is made that the supplier is located and resides in the country of operation of the Cerba HealthCare entity.

For Cerba HealthCare operations, the assumption is made that employees are located and reside in the country of operation of the Cerba HealthCare entity.

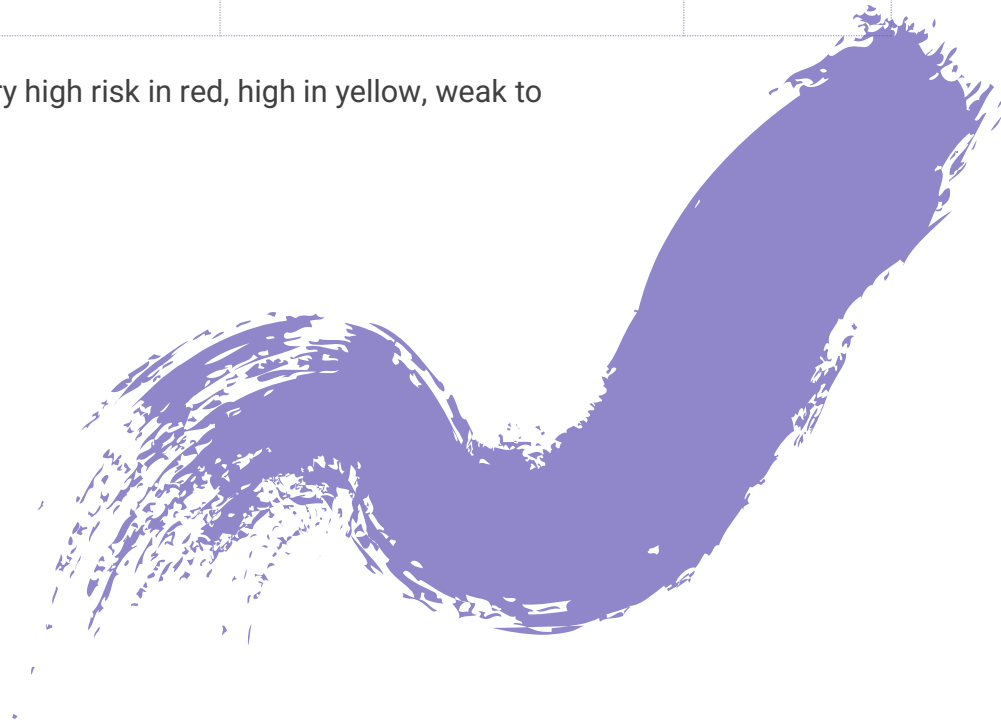
This mapping makes it possible to identify the priority risks for the Cerba HealthCare Group and helps guide actions to prevent and mitigate these risks, in particular, through the deployment of Cerba HealthCare’s responsible purchasing policy.

	<b>Characteristics and information used for analysis</b>	<b>Human rights</b>	<b>Health and safety</b>	<b>Environment</b>
<b>Own operations</b>	<ul style="list-style-type: none"> <li>- All Cerba HealthCare sites</li> <li>- Main professions: medical pathologists; physicians; veterinarians; laboratory technicians; support roles; laboratory secretaries; couriers; storekeepers; nurses</li> </ul>	<ul style="list-style-type: none"> <li>- High risk of discrimination for support roles, laboratory secretaries, couriers, nurses and warehouse staff, particularly in Africa and China</li> <li>- High risk of excessive hours for nurses and laboratory secretaries</li> <li>- Other low to moderate human rights risks (lack of freedom of association and living wages)</li> <li>- No/little risk of fundamental freedoms (child labour and forced labour)</li> </ul>	<ul style="list-style-type: none"> <li>- Very high risk of workplace accidents for couriers, particularly in China and Africa, and relatively high for laboratory technicians, warehouse staff and medical pathologists/physicians/veterinarians in China, Africa and the United States</li> <li>- High psychosocial risk for nurses, laboratory technicians and laboratory secretaries, particularly in China, Taiwan and Africa</li> <li>- Other low to moderate health and safety risks (industrial accidents and exposure to chemicals)</li> </ul>	<ul style="list-style-type: none"> <li>- High risk regarding waste management, especially infectious waste. The risk is particularly high in China, Taiwan and African countries</li> <li>- Other low to moderate environmental risks (contribution to climate change, pressure on water resources, water pollution, air pollution)</li> </ul>

<p><b>Direct purchasing suppliers</b></p>	<ul style="list-style-type: none"> <li>- Suppliers of reagents, PLCs, services, packaging or consumables</li> <li>- All Cerba suppliers, which are present in Europe, Asia (Japan, China, India, Vietnam, Taiwan, Singapore, Malaysia and Thailand), North America and Australia</li> </ul>	<ul style="list-style-type: none"> <li>- High risk of discrimination, particularly related to the purchase of packaging and consumables</li> <li>- Other low to moderate human rights risks (lack of freedom of association, lack of living wage, excessive working hours)</li> <li>- No/few fundamental freedoms risks (child labour and forced labour)</li> </ul>	<ul style="list-style-type: none"> <li>- High risk of industrial accidents and exposure to chemical substances present for all suppliers</li> <li>- Moderate psychosocial and workplace accident risks for all suppliers</li> </ul>	<ul style="list-style-type: none"> <li>- Very high risk of pressure on water resources, linked to the purchase of reagents</li> <li>- High environmental risk of contributing to climate change and waste management, linked to the purchase of machines and reagents from Europe, Asia and America</li> <li>- Other low to moderate environmental risks (water pollution, air pollution)</li> </ul>
<p><b>Indirect purchasing suppliers</b></p>	<ul style="list-style-type: none"> <li>- Energy suppliers; logistics and transport; construction/real estate; consulting, banking, insurance, etc.; miscellaneous equipment; other services (maintenance, facility management, etc.)</li> <li>- All Cerba suppliers are present in Europe, the United States, Africa, Asia and Australia</li> </ul>	<ul style="list-style-type: none"> <li>- High to very high fundamental freedoms risk for the Construction/Real Estate sector, in particular (excessive working hours, lack of freedom of association and insufficient wages)</li> <li>- High risk for the Logistics and Transport sector of discrimination, forced labour and insufficient wages</li> <li>- Low to moderate human rights risk (excessive working hours, lack of freedom</li> </ul>	<ul style="list-style-type: none"> <li>- Very high risk of industrial accidents in the Energy category</li> <li>- Very high risk of workplace accidents and industrial accidents, in the Logistics &amp; Transport and Construction purchasing categories, 12% of which are sourced in Africa and China, which are high-risk</li> <li>- High risk of exposure to chemicals for the Energy and Construction sectors</li> <li>- High psychosocial risks for the Logistics &amp; Transport sector</li> <li>- The other categories of indirect purchases present low to moderate risks for all of these Health and Safety risks (exposure to chemicals, workplace and industrial accidents, psychosocial risks)</li> </ul>	<ul style="list-style-type: none"> <li>- High to very high risks related to the contribution to climate change and air pollution among most suppliers</li> <li>- Other environmental risks (pressure on water resources, water pollution, waste management) generally low to moderate in Europe but high for countries outside Europe</li> </ul>

		of association, insufficient wages, discrimination, forced and child labour) for other types of suppliers		
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\* Colour legend: very high risk in red, high in yellow, weak to moderate in black.





## 2. RISK ASSESSMENT AND MITIGATION

### 2.1 Risk assessment

In 2022, the Cerba HealthCare Group carried out the first EcoVadis assessment of its own operations. With a score of 45/100, this rating places the Group above the average for companies in the sector rated by EcoVadis (42/100).

It stresses the importance the Group attaches to "ethical" and "labour and human rights" issues, for which Cerba HealthCare received a score of 60/100. For the "environment" and "responsible purchasing" issues, the Group received scores of 30/100 and 20/100, respectively.

### 2.2 Risk mitigation

#### Suppliers

The Group's responsible purchasing strategy is currently being rolled out, with the creation of a supplier CSR charter in addition to the already existing Ethics & Business Conduct Charter.

When choosing its economic partners, the Cerba HealthCare Group favours suppliers with certification (ISO 9001, ISO 17025, ISO 13485 and material quality certificates).

Cerba HealthCare favours suppliers located in a similar geographical area. For example, Laboratoire Cerba's suppliers of hoods, gates, plates and service providers (maintenance, waste) are located in the same city, in Saint-Ouen-l'Aumône.

#### Own operations

*Methodology note: only moderate to very high risks are detailed below.*

#### **Environment**

An environmental policy and roadmap are developed in each entity of the Cerba HealthCare Group. They include the three key themes:

- **Contribution to climate change** (carbon impact)
- **Waste management**
- **Water management**

#### **Waste management**

Specific bins for each type of waste are installed on the Cerba HealthCare sites to facilitate waste sorting.

Cerba HealthCare entities have a legal obligation to process medical waste through specialised channels. A destruction by incineration procedure is governed by law and specifies the requirements in terms of packaging, storage, processing and traceability. Each batch of infectious material is destroyed by specialised service providers, who issue a certificate of destruction of each item of Infectious Healthcare Waste (IHCW).

***Focus on good practice: Cerba HealthCare Italia***

Cerba HealthCare Italia has implemented a system to distinguish between different levels of waste contamination. Waste with a low risk of contamination is processed on site and released into the municipality's waste treatment process. Waste categorised as high-risk is processed via the IHCW channels. This initiative reduces the amount of IHCW waste.

Awareness campaigns are deployed to train employees in good waste sorting practices.

***Focus on good practice: Laboratoire Cerba in Saint-Ouen-l'Aumône***

The Laboratoire Cerba site in Saint-Ouen-l'Aumône is implementing several actions to limit its waste. A new method of packaging samples (cartouchières) made it possible to use 2.5 times less plastic than traditional packaging. The laboratory has also installed water fountains connected to the network to eliminate plastic water bottles. In addition, the dematerialisation of internal and external documents is taking place via remote transmission and the creation of the My Cerba platform, which makes it possible to communicate test results to patients. Lastly, discussions are underway regarding the rationalisation of the use of IHCW, and the transition from plastic to cardboard for IHCW containers destined for incineration.

### **Contribution to climate change**

The Group calculated its carbon footprint for the 2021 financial year for the first time. Cerba HealthCare is committed to achieving the environmental objectives aligned with the *Science-Based Target Initiative* (SBTi), which will be integrated into the environmental policy currently being drafted:

- 42% reduction in CO2 emissions for scopes 1 and 2 by 2030
- 25% reduction in CO2 emissions for scope 3 by 2030

More specifically, the Cerba HealthCare entities in Belgium and Luxembourg have mapped all of their energy expenditure. This resulted in a list of corrective actions, in particular, the insulation of “sieve” and energy-intensive buildings, the deployment of solar panels, the switch to an LED power supply, etc. The French and Luxembourg subsidiaries have put in place a renewable energy supply (74% for France, 99% for Luxembourg).

Cerba HealthCare Belgium and Cerba Luxembourg have chosen to insource transport management. A specific layout of the vehicles allows for a range of tasks (transport of samples, collection of waste, etc.), thus reducing the number of journeys required. Coupled with precise software monitoring in conjunction with ERP, this makes it possible to control the sampling and transport schedules, to mitigate any risk of sample expiry. For emissions generated by transport, Cerba HealthCare is involved in raising awareness among its employees through training courses to promote eco-driving and reduce their CO2 emissions.



***Focus on good practice: Laboratoire Cerba in Saint-Ouen-l'Aumône***

Within the scope of Laboratoire Cerba, several initiatives have made it possible to reduce the entity's carbon footprint.

The refrigerants historically used have been replaced by fluids with lower warming potential (HFC32, 125, 143a, 134a).

Concerning the historic site located in Saint-Ouen-l'Aumône, several actions aimed at reducing the carbon footprint linked to transport have been implemented since 2021:

- signing of a teleworking agreement to allow employees with compatible roles to benefit from 2 days of working from home per week;
- payment of **70%** of employee public transport costs;
- implementation of a carpooling platform (effective in June 2022);
- clearing of the company vehicle catalogue and implementation of 2 self-service electric vehicle charging stations.

The new Frépillon site (Ile-de-France) incorporates the energy efficiency requirements of the tertiary decree with the aim of significantly reducing the site's energy consumption. Systems and installations optimise the site's energy performance and its carbon footprint:

- insulation of all buildings according to the RT 2012 standard;
- heating 100% using heat pumps;
- air handling unit (AHU): unit allowing exchanges between cooling units and heating elements;
- free-cooling: implementation of a passive cooling system;
- mobility: proximity to public transport, 14 electric vehicle charging stations and 10 electric bike charging points.

## Water pollution

In order to control the risk of water pollution, Cerba HealthCare has implemented several measures relating to the management of chemical discharges. A filter is applied to its equipment in order to prevent the discharge of treated liquid into the network and the equipment is subject to a ongoing maintenance programme in order to check its compliance. Furthermore, when leases are signed for new buildings to establish Cerballiance laboratories, a complete pollution risk report is drawn up.

### ***Focus on good practice: Laboratoire Cerba***

In order to prevent the presence of chemicals in wastewater, Laboratoire Cerba in Saint-Ouen-l'Aumône carries out periodic checks and invests in the renovation of effluent treatment facilities. In addition, the installation of a new site in 2024 foresees an increase in the share of ozone-treated water thanks to a neutralisation station, which will reduce the use of chemicals.

## Occupational health and safety

### *Accidents at work*

Cerba HealthCare has implemented an occupational health and safety approach involving the use of accident risk analysis sheets, as well as training and prevention measures. In particular, safety moments are held to raise employees' awareness of risks related to health and safety at work. A prevention plan is being deployed: a detailed analysis of each accident will be carried out in order to identify its causes and establish preventive and corrective action. A safety awareness booklet is shared with all Group employees.

### ***Focus on good practice: Cerba HealthCare Italia***

With regard to the risks associated with road accidents, particularly for couriers, Cerba HealthCare Italia promotes drug and alcohol screening, focusing its actions on prevention and awareness-raising measures.

### *Exposure to chemicals*

Cerba HealthCare has implemented an approach to reduce the use of chemicals by replacing certain products with alternative technologies. For example, mass spectrometry, which uses a high quantity of solvents, has been replaced by an innovative technology that has made it possible to reduce the quantity of solvents used by twenty. As regards products that cannot be removed, they are replaced by less dangerous products. Cerba HealthCare also conducted a chemical risk analysis to identify the main levers of action.

Within laboratories, the chemical risk is limited. Toxicology departments are those with the highest level of risk. Protective equipment and laminar flow hoods are used to avoid any contact or contamination. All products and packaging are CE approved.

### *Psychosocial risks:*

To prevent psychosocial risks, local management and organisation of working hours are encouraged. To support potential cases, an anonymous hotline is available to all employees, and support is available to an employee.

## **Human rights and fundamental freedoms**

### *Discrimination*

The Cerba HealthCare Group's ethics charter, known as the Ethics & Business Conduct Charter, establishes the framework for preventing the risk of discrimination. As such, the Ethics & Business Conduct Charter addresses conflicts of interest, competition rules, the fight against corruption and environmental protection. Issued with each new hire, the Charter is widely distributed as it is accessible on the Group's various websites and can be consulted by the Human Resources Department. The Group's managers are trained in non-discrimination within the recruitment process, and a roadmap is being drawn up to achieve the target of 45% women in the Management Committee population by 2028 (compared with 39% in 2022).

### *Excessive working time*

At Laboratoire Cerba, technicians are the most at-risk role in terms of exceeding working time, as the profession is under extreme pressure. In order to reduce technicians' workload, several process automation approaches will be implemented at the new site.

### 3. WHISTLEBLOWING AND REPORTING MECHANISM

Since January 2023, Cerba HealthCare has been rolling out an integrated risk management and compliance platform (NAVEX) within the Group. It includes tools for managing many ethical topics, monitoring the financial health of suppliers and an alert mechanism.

Fully operational in-house since March 2023, this platform will be gradually rolled out to Cerba HealthCare's suppliers, subcontractors and patients.





## Contact

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