

SUSTAINABILITY
REPORT

20
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Éditorial

Sustainable development in 2019 is a very current topic that is top of mind for everyone. However, we clearly need to approach this topic in a pragmatic manner to really enable change. Our planet Earth is giving us more and more signals on an almost daily basis that we have reached and in some cases exceeded the limits of our interactions with it.

Macopharma has initiated in 2018 a strategic transformation – we are a historical major player in blood management and as such have played a key role in bringing innovation and technology to the healthcare professionals around the world. Our engineering capability and industrial strength enabled us to develop and improve available products and performance. These products have always met end user needs in an effective way, and will continue to do so with Quality and Safety at the foremost of our mindset. However, we are initiating today a different approach, focused on therapeutic added value, as well as the impact of our products on the well-being of patients everywhere. We are all ultimately here to help improve patients outcomes.

In the 21st century, we also now have to expand our definition of the needs we answer to, expand from the needs of customers to now include a broader view of the needs of our environment and our society. The fundamental characteristics of our activity presents challenges inherent to its nature : sourcing and types of raw materials, waste management, biologic products, transportation, etc. You will find as you read this report that Macopharma meets all its regulatory and legal obligations and in many cases goes well above this minimum level. But we need to do even more and move to the next level, **so we are creating in 2019 a Corporate Social Responsibility** task force which I will personally lead, and its mission will be to launch and drive our organization on fundamental questions such as environmental impact and our social role in the communities where we work. The challenge I am putting forward to this team : ensure a tangible short-term impact with focused actions, as opposed to simply create a process of financial contribution or donation, which is sadly the reality of many Corporate CSR programs. We will of course engage resources, but I am counting on all Macopharma employees in the world to personally commit and get involved on this topic.

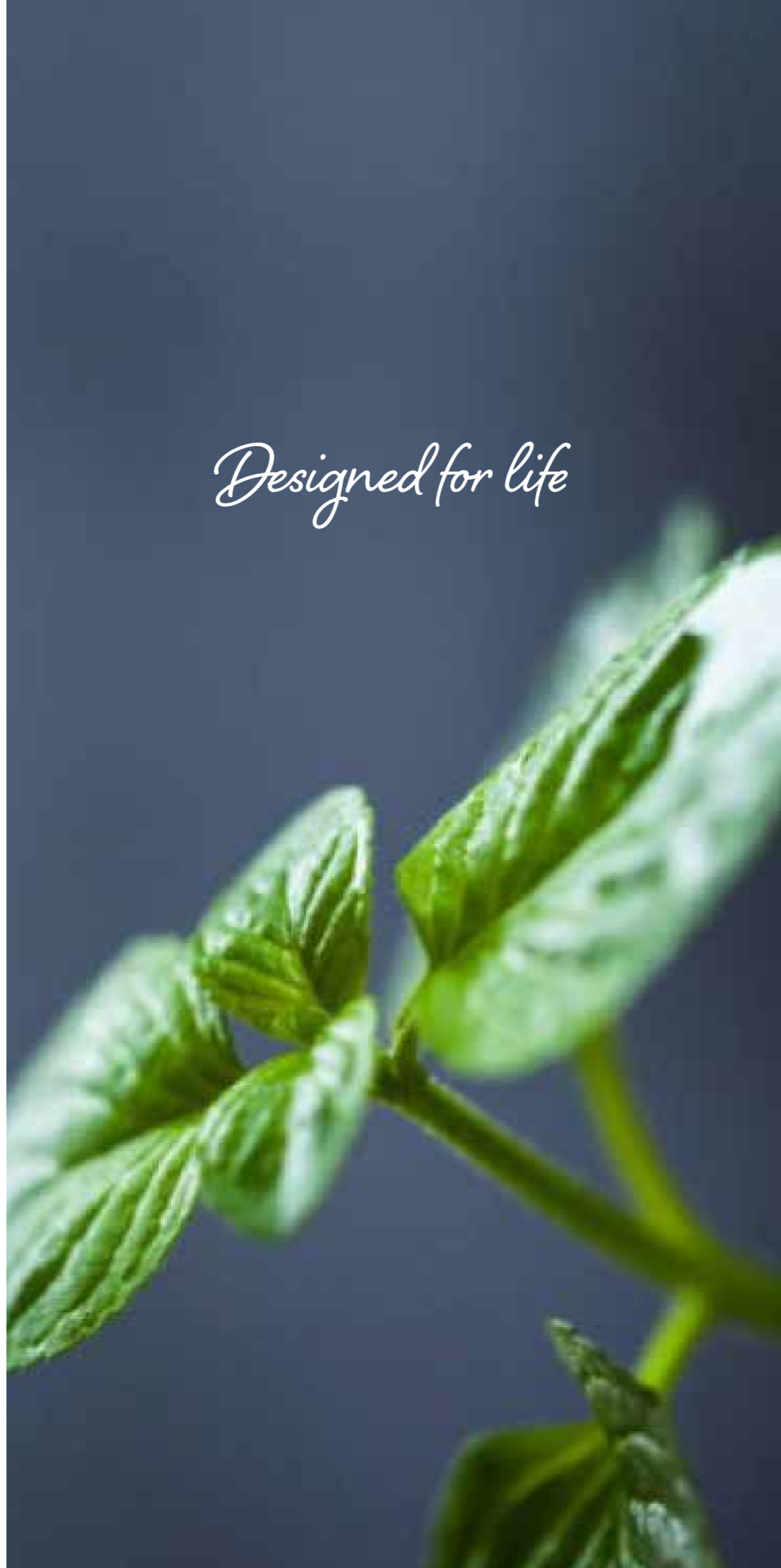
A Canadian philosopher and sociologist, Marshall McLuhan, once said « There are no passengers on spaceship Earth. We are all crew members. ».

Let's all do something about this.

03

OUR RAISON D'ÊTRE

Designed for life



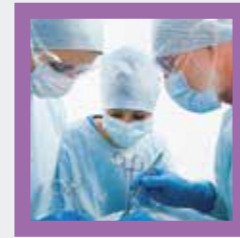
From Transfusion to Biotherapy, from hospital care to the protection of patients and nursing staff, Macopharma aims at providing innovative quality products to their customers, guaranteeing complete safety during therapeutical practices at a lesser cost, while promoting our employees' development and producing profitability and cash that allow us to carry on with new developments, to grow further and to compensate our shareholders.

**Our raison d'être is summed
up in our logo:**

Designed for life

04

OUR JOBS



Transfusion

Macopharma designs and produces devices intended for the collection and preparation of safe blood products, and has established itself as an essential partner for Blood transfusion centres on many continents.

Blood collection

Macopharma offers a wide range of devices intended for the collection of whole blood, including adhoc equipment (mixers, sealers, etc.)

Blood processing

Today, Macopharma is the leader on many markets thanks to their expertise and management of the filtration of blood components with leucocyte reduction (in-line filtration) and provides the necessary equipment for blood preparation: centrifuges, separators, etc.

Blood safety

In order to deliver a complete solution and guarantee optimal safety during the preparation of blood components, Macopharma has developed pathogen-inactivation technologies and innovating solutions in terms of blood preservation conditions (additive solutions, phtalate-free devices, etc.)



Masks

Through its expertise in non-woven fabrics, Macopharma offers FFP-type protective respiratory masks and surgical masks that satisfy the most stringent requirements.

Biotherapy

In view of the evolution of transfusion medicine towards new cell therapies, Macopharma has sought to diversify into biotherapies and has developed a wide range of products to serve customers in the fields of cell and tissue therapy, regenerative medicine and transplant. Macopharma thus offers solutions for each stage of the process of cell therapy, from collection to processing and transplant of cells or organs to patients:

Cord Blood: Medical devices and solutions for the collection and preservation of stem cells from cord blood and bone marrow.

Bio Banking: Medical devices intended for the transportation and storage of cells and tissues at low temperatures.

Cell Culture: Culture medium for the expansion of stem cells. Innovative closed system for the expansion of stem cells for clinical applications and virally inactivated platelet lysate.

Photopheresis: it is an extracorporeal Photochemotherapy technique consisting in an immunomodulator treatment in 3 steps:

- Collection by apheresis of autologous mononuclear cells (MNC) circulating by means of a cell separator
- Exposure of the CMN to UV rays thanks to a photosensitizer (8MOP)
- Re-injection into the patient of the cells treated through this process.

Transplant: Medical devices and solutions to optimise the collection, preservation and transplant of solid abdominal organs (liver, kidney, pancreas).

Hospital

Within its Hospital Division, Macopharma has developed a very wide range of injectable intravenous solutions. These ready-to-use solutions for infusion are packed in flexible bags of various kinds according to whether they are administered on their own or in combination with other products. Along with injectable solutions, Macopharma offers innovative systems for easier and safer reconstitution and administration of medicines.

Products within the Hospital range fall into two major categories:

> **Containers:** flexible bags made of polyolefins or PVC, fitted with connectors and devices for safe operations of reconstitution and administration of molecules that are sometimes very sensitive (chemotherapy, antibiotherapy).

> **Solutions:** glucose, electrolytic, polyionic glucose solutions, analgics, antibiotics, antifungals, antiparasitics. Innovative medical devices now round out the product range of Macopharma Hospital, including devices to safely collect biological liquids. All these innovations meet the needs for quality and safety expressed by our clients, health care professionals or instructing parties. They have been Designed for Life© for the patients for patients.

05

OUR
MISSION



The Group's MISSION is to provide innovative products and reliable services to meet the demand of our CUSTOMERS in the most efficient manner in terms of SAFETY, QUALITY and VALUE FOR MONEY. This Mission leans on the core values that our Divisions and our future subsidiaries must share. Our shared values strengthen the cohesion that exists between all Maco people - they are the very foundation of what we are: **SOLIDARITY, PROFESSIONALISM, MOTIVATION, PERFORMANCE.**

We have started to work on a new mission/ambition.

More information to come in the 2019 Sustainability report.

06 OUR STORY



1977

Heroic times

Since the early 1970's, blood transfusion has been experiencing a revolution: the sealed plastic bags invented by Carl Walter and William P. Murphy in 1952 are progressively replacing glass bottles. When French health authorities decide on the use of this new container, the Vandeputte-Marchant textile group seizes the opportunity to diversify itself, while the European textile industry is struggling.

In 1977, Macopharma was born from the association of Lucien Martinache, head of department at Lille's transfusion centre, and Norbert Calabro, head of Medicoplast company. The pair quickly teams up with the pharmacist Francis Goudaliez: after several months of development, the company supplies its first blood bag to the Avicenne hospital in Bobigny, close to Paris.

1978

Fast growth

Macopharma is granted the status of pharmaceutical institution, an essential step at the time as bags are still considered as medication and not as medical devices.

Full-scale production starts in 1980 and quickly grows: four years after its creation, about fifty employees work for the company.



1986

1980's: serial innovations

The first half of the 1980s is marked by the emergence of AIDS.

In France, the outbreak leads to suspicion among blood donors: donations drop from 4 to 2 million a year in just few years. This dent in the company's production rates calls for innovation: in 1982, Macopharma designs soft filters integrated to the bags and able to separate leucocytes from the rest of the donation. Meanwhile, the company diversifies by starting the production of infusion solutions in 1986. By the late eighties, Macopharma steps outside of France and sells its first blood bags in Germany and then in the UK.

1995

Macopharma goes global

This desire to become an international company leads to increasing needs for investment.

Bought over by Gérard, Patrick et Philippe Mulliez in 1995, Macopharma creates its first European Subsidiaries in 1996 and obtains ISO9001 certification and CE marking for blood bags. Between 1999 and 2005, the company expands its site in Tourcoing (transfusion products) and builds another French site in Mouvoux (infusion solutions) before setting up a new production site in Poland in 2003 and a new assembly workshop in Tunisia in 2005. Since 2014, all Macopharma sites have been ISO 9001 certified.

2012

Growth and diversification

While opening a new plant in Tunisia in 2012, Macopharma starts working in cell and tissue biotherapies and is now about to set up in Iran.

2017



Arrival of new CEO

Yvan MALEPART

2018

Macopharma celebrates its 40th anniversary

1977-2017
MACOPHARMA
BY YOUR
SIDE FOR

40
YEARS

07

OUR
ETHIC

OUR VALUES

Macopharma was built on strong human values that are today part of our success. Motivation, professionalism, performance and solidarity among men and women working for our company rest upon common skills that we put to good use every day.

Motivation

While being realistic, we stay positive in our daily life. We consider our assignment within the company and our daily activities as a mean of self fulfilment. We believe in the company and in its plans. We highlight positive events and encourage them. We inspire a constructive spirit in the company. We project a positive image of the company both inside and outside. We are involved and committed.

Solidarity

Communication / exchange: We express ourselves clearly and effectively both orally and in writing, even when dealing with complex information. We encourage free circulation of information in the company and share essential information in advance. We clarify what others are saying to make sure that we understand them well. We adapt our message to our audience and cultures to make sure we are understood.

Team spirit: We consider that success comes with organisation. We develop the vertical and horizontal efficacy of our team. We take into consideration all the members of our team, whatever their position. We help other people and other teams, and share our resources freely. We inspire a good team spirit by establishing joint and motivating aims, by encouraging the free circulation of information and sharing victories and successes. We try and provide a constructive feedback and factual advice. We trust others and establish relationships based on mutual respect.

Professionalism

Sense of responsibilities: We feel responsible for the company's results. We do not look for excuses when the goal has not been reached. We do not put the blame on others, on another department or on the system. We accept the consequences of our decisions and actions. We dare to speak out and issue an alert where needed to help the company move ahead.

Customer focus: We always seek to best meet the needs of internal and/or external customers by delivering the best services (quality, responsiveness, expertise, knowledge and skills, courtesy, fairness, results...). We establish and maintain a strong and long-lasting relationship with internal and/or external customers.

Performance

Results oriented: We set ambitious aims for ourselves and do everything we can to reach them. We find solutions by being pragmatic and factual and by finding inspiration in already-existing processes which have proved themselves. We go straight to the point without making things complicated. We always act in the best interests of the company and feel concerned and responsible for the results we get.

Change driver / ability to adapt: We have a passion for innovation, we question things and look for solutions. We generate new and creative ideas and know how to transform them into concrete products and/or Services. We go beyond what is obvious and are not satisfied with the first answers. We adapt to change, perceive the interest in getting different opinions and adjust our positions and strategies to new approaches. We recommend and carry out the necessary changes for our company to succeed.

OUR ETHICAL CHARTER

Maco Pharma Group (hereafter referred to as "Macopharma") specialises in the production and commercialisation of health products in the fields of blood transfusion, biotherapy and infusion. Macopharma has built its development on values and principles of action and ethics.

- **Macopharma is committed to delivering quality products and services.** All its processes are designed to achieve excellence as far as quality is concerned, right along its entire value chain – from "research & development" to sales, without forgetting manufacturing.
- **Macopharma demands rigorous ethical conduct from its employees.** At Macopharma, we are committed to respecting our employees, subcontractors, commercial partners and relevant authorities.
- **Macopharma's success is built on the expertise and commitment of our employees and commercial partners and we encourage** both individual and collective responsibility.
- **Responsible and long-lasting management plays an integral role in the culture at Macopharma.**
- **This code of good conduct sets the foundations that ensure compliance with all current laws and regulations.** As a result, Macopharma expects its employees not to engage in any practice that contravenes its obligations.
- **These principles have laid the foundations of the culture at Macopharma and have built the reputation of this group.**
- **Macopharma's ethical charter was set up to formalize common and crucial references for each employee of the group.** Its content is not aimed at substituting legal texts nor professional codes in force, but it complements them.

These rules are not exhaustive but in addition to everyone's common sense and sense of responsibilities, they set landmarks for the employees of the group in order to guide their actions and inspire their behaviors according to ethics.

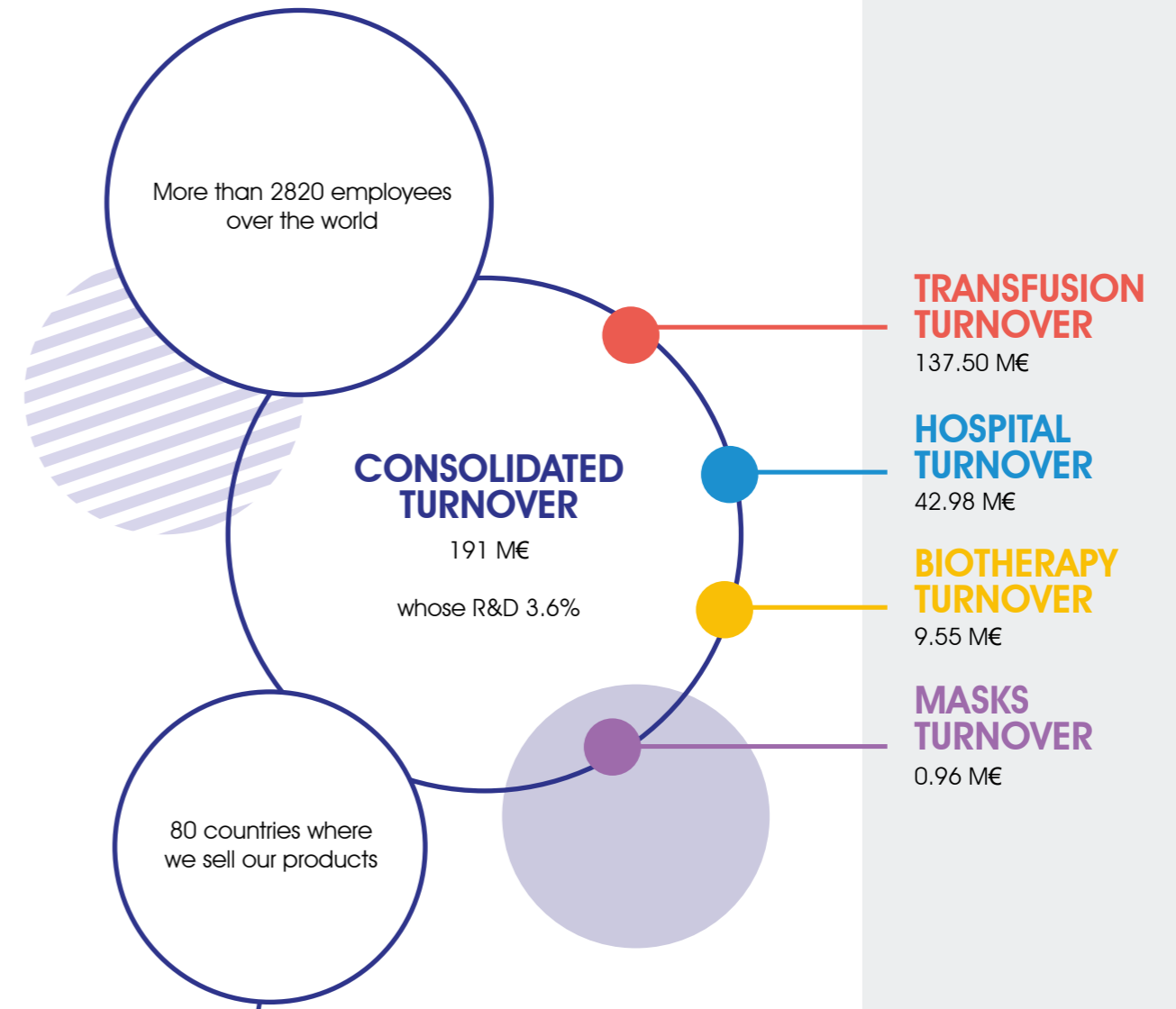
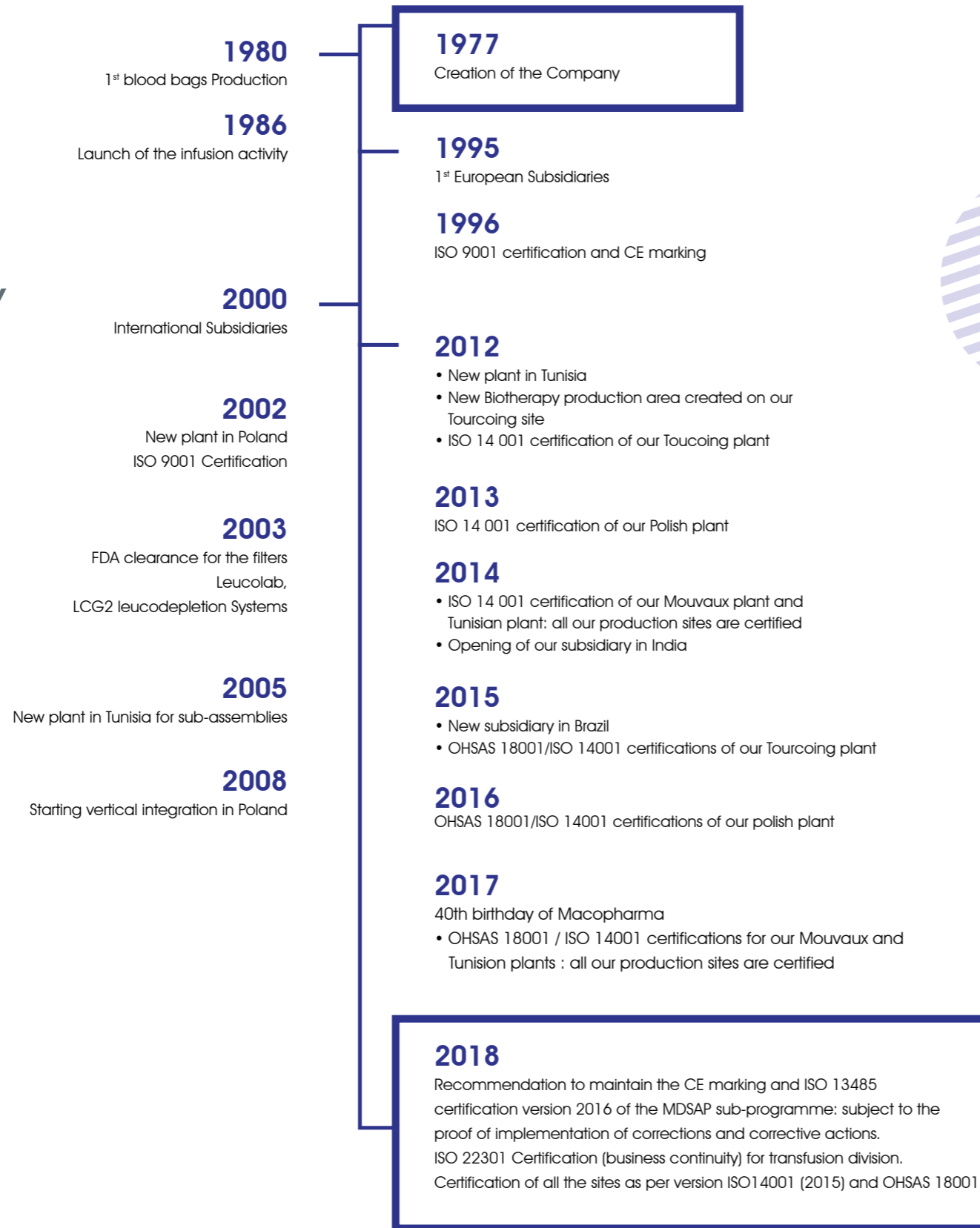
Adhering to this ethical charter and code of good conduct (hereafter referred to as the "Charter"), means:

- **Subscribe to a series of strong commitments,** beyond the general and permanent commitment to respecting applicable laws and regulations in force while carrying out our activities.
- **Commit oneself individually and collectively to respecting the ethics and the professional code of practice described hereafter,** spread this Charter to subsidiaries of our group and/or distribution network, and make sure its provisions are respected.



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DATES AND KEY FIGURES



09

2018 KEY EVENTS



Corporate

With the arrival of Y. Malepart, Maco has developed a new format of top management meetings in June 2018 oriented « Think patient first ». A patient testimonial gave meaning to our business.

Organisation:

Creation of a strategic pole in the Board – Head of Strategy
Creation of new functions

- Head of Strategy
- Market access
- Digital lead
- Compliance

Strategy:

Within our Vision 2027 project (key drivers of our need to transform our identity), we decided in October 2018 to translate our critical opportunities of vision 2027 into concrete actions thanks to one clear strategy. The aim was to define and write our NEW ambition and strategic orientations.

We have used a collaborative platform to evaluate our ambition and finalize it before presenting it in early 2019.

Transfusion

- Gmed Audit– October 2018
- Implementation of a new sales department organisation: Americas, South-West Europe, North-Center Europe and Oceania and distribution areas.
- ISO 22301 Audit: transfusion division obtained the certification for its Business Continuity Management System in May 2018
- 2nd EBA tender won
- Plasma tender won in UK
- Germany : Contract extended by 5 years with Springe and we finally returned to BRK
- Tunisian and Moroccan tenders won
- Good opportunities in Asia
- Good start in Asia (Vietnam, Malaysia, India)
- Macopress Smart implementation in Canada

Biotherapy

- Bio banking development (Israel, China, Netherlands, France)
- Good management of cord blood customers
- Transplant: promotion has been stopped
- Workshops on our core business products
- Monthly organisation of project management and prioritisation review.
- Launching of inactivated HPL. We are the first in the world!
- Starting of PCE multicenter clinical studies

Hospital

- Diversifications – New partnerships (trading products, development of our offer abroad)
- Equashield: Launching in France & Germany
- Price increase strategy for UK market



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COMMUNICATIONS: KEY EVENTS



In 2018 internal and external communications adapted to our customers' needs (internal and external) while offering innovative tools to consolidate the image of the Macopharma group and strengthen employees' sense of belonging. This year has been a transitory one with a change of CEO and new perspectives to define.

Always seeking to be known in the world and differentiating from competitors, **Macopharma has strengthened its worldwide presence with new tools:**

- A product app has been developed on tablet to promote all our products related to transfusion process
- New videos especially focused on products have been made in order to highlight our competitive advantages.

INTERNAL COMMUNICATIONS:

INTERNAL NEWSLETTER: THE MACONEWS – 4 releases per year to continue to bring information on a regular basis to our employees worldwide

TALK INTRANET: developments have been made on the tool in 2018 to refine the profile of our employees (specific skills in specific fields + organisation of a competition to get complete profiles...) and still information provided on the company's social network.



EXPRESSION MEETINGS in order to encourage managerial information

EXECUTIVE MEETINGS in another format with a patient testimonial in order to give meaning to our mission serving patients' health.

ORGANISATION OF ONE WEEK TO REMOVE PREJUDICES ON DISABILITY with workshops to increase Macopharma employees' awareness on disability

EXTERNAL COMMUNICATIONS:

PARTICIPATION IN 60 NATIONAL AND INTERNATIONAL CONGRESSES ALL DIVISIONS INCLUDED.

Some of them were the occasion to hold symposiums on scientific topics.



WEBSITE AIMED AT ANSWERING ALL QUESTIONS our customers or future ones may ask, and containing important information on our products.

BROCHURES, CATALOGUES, PRODUCT SHEETS PRINTINGS while maintaining a consistent image of the group

SCIENTIFIC APPROVAL BY OUR SCIENTIFIC COMMITTEE

PRESS RELATIONS, SCIENTIFIC PUBLICATIONS

11

DIALOGUE WITH OUR STAKEHOLDERS



We develop ourselves, we transform the company and achieve our ambitions through our stakeholders.

PUBLICS PARTNERS

- Municipalities
- Authorities
- Institutions
- Administrations

BUSINESS PARTNERS

- Clients
- Suppliers

INTERNAL PARTNERS

- Employees and social partners
- Shareholders

JOB SUPPORT

- Scientific and industrial partners
- Banks and financial institutions

OTHER

- Associations
- Medias
- Residents

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BUSINESS CONTINUITY

A COMMITMENT TO SECURE OUR CUSTOMERS OF TRANSFUSION DIVISION

In June 2018, the audit of the transfusion division and all its activities for the ISO 22301 certification was successful. The Management System of Business Continuity (MSBC) complies with ISO 22301 standard requirements and **no major nor minor non-compliance resulted.**

SOME SENSITIVE ISSUES HAVE BEEN IDENTIFIED:

- The implementation of double sourcing for critical raw materials is not sufficiently developed which causes a vulnerability of our BC.
- The awareness of our BC plan by one of the managers on our Polish site is not sufficient,
- Actions for the reduction of critical risks have to be supplemented according to deadlines defined for our Polish site which supplies our key customers,

MANY STRENGTHS HAVE BEEN SHOWED:

- **STRONG COMMITMENT OF THE BOARD,**
- **THE POLICY COVERS EVERY ITEM OF THE STANDARD,**
- **THE MSBC IS WELL IMPLEMENTED IN THE CULTURE AND ORGANISATION OF THE SITES,**
- **RISKS ANALYSIS ENABLE TO IDENTIFY CRITICAL RISKS** and set up efficient action plans to reduce them,
- **THE ANNUAL PROGRESS AND IMPROVEMENT PLAN** of the BC is a good management tool of the MSBC,
- **REPLACEMENT MATRIX ARE OPERATIONAL ON THE SITES,**
- **DESPITE ITS SPECIFICITIES,** automation has properly identified its risks and an adapted action plan has been implemented,
- **THE « BC PLAN »** process properly defines warning levels and the organisation of crisis management,
- **PROCESSES OF DEGRADED MODE OPERATIONS EXIST,**
- **RECOVERY PLANS FOR IT ARE DEFINED,**
- **ANNUAL EXERCISES ARE CONDUCTED** according to scenarios resulting from risk analysis and with the participation of all stakeholders concerned by crisis management.

SOME IMPROVEMENTS NEEDED:

- A crisis unit should be built more on a collective decision mode rather than a hierarchical one
- Continue to build recovery plans based on meaningful scenarios with teams concerned
- Production sites and departments should voluntarily organise tests of the BC on a limited scale, in order to rally teams to this issue.



The work is not yet complete, we now have to correct sensitive issues and continue to improve our processes to make our MSBC more efficient and reduce the vulnerability of our business.

The certification of our MSBC according to the international ISO standard 22301 will reassure our key customers (business continuity mentioned in contracts).

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MACOPHARMA WORLDWIDE

MULTICULTURALISM

With subsidiaries at every corner of the globe, the Macopharma Group gathers many nationalities. This diversity is a true richness for Macopharma.

To turn this diversity into a strength, the company and its Training department put great efforts in raising awareness of employees so that we may all celebrate our differences and grow better together.

Since 2014, internal communications have been all translated into English, just as our company newspaper, and communications have generally improved between French staff and subsidiaries employees.

Training sessions are offered to employees to raise their awareness regarding interculturality and optimise their professional exchanges with foreign contacts. These workshops give a new outlook to our staff regarding existing difficulties in this type of exchanges, and help taking down some stereotypes.

Franco-French culture is not the unique reference, each geographical specificity is integrated into Macopharma's collective culture. This openness to the world also enables Macopharma's employees to connect to each other.

They occasionally meet, they communicate thanks to different internal communication tools in order to know each other better and evolve together. An international management training course enables our managers to share their experiences within multicultural teams. This cultural sensitiveness strengthens team cohesion. This is a wealth, and a major concern.



OUR WORLDWIDE DEVELOPMENT

The MACOPHARMA group started growing internationally in the early 1990s. Today, it is represented in 80 countries. It includes 4 production sites (2 in France, 1 in Poland and 1 in Tunisia), 1 being currently built, 17 sales subsidiaries.

(Australia, New Zealand, Canada, USA, Italy, Poland, Spain, Germany, Benelux, UK, Swiss, Sweden, Netherlands, United Arab Emirates, Russia, India, Brazil), and a distributor network on the 5 continents.

In the coming years, the Group will aim at reinforcing its business and staying attentive to new industrial and marketing opportunities which could contribute to its ongoing growth, especially in high-growth areas.

The Group should strengthen its international presence by developing its business in South America, in the Far East and in India.

14

HUMAN RESOURCES

SOCIAL POLICY

Social affairs

According to commitments undertaken within the Social Dialogue agreement, the works council has been consulted about the economic and financial situation and social policy, working conditions and employment.

Performance bonus

Performance bonus was renegotiated in 2016. As a consequence performance bonuses have increased by an average of 30%, between 2016 and 2018. Beside an increase of its amount, new measures were aimed at reducing absenteeism. Therefore, the renewal of this new calculation method was subject to the decrease of our global absenteeism rate. The absenteeism reduction rate objective being reached in 2018, the agreement has been renewed for an indefinite period.

New private health insurance

At the end of 2018, the company has validated with the works council the implementation of a new scheme of health costs coverage and pension fund applicable to all employees. In addition to the increase of the employer participation in the contribution, coverage has extended.



PARTNERSHIPS WITH SCHOOLS

The integration of interns and students alternating periods at school and in the company... a win-win relationship

Macopharma has started a real policy of recruiting young people for several years. Macopharma is located at the heart of a dynamic region, with a strong competition and should continue to be committed with student communities, and be known to attract new applicants.

This particularly means using student networks, their communication after their internship at Macopharma, their interest for the missions, their confidence in us, but also our participation to forums within schools, which enable to share with students but also introduce the company, products, give them a dynamic and motivating image of our divisions and products. In 2018 We participated in 5 internship forums at Lille's IAE, Polytech, Faculty of Pharmacy, ILIS and Lille 1.

These forums are also organised by our Polish site. We also participated in several conferences about work and studies internships, apprenticeship, in order to share with other companies on actions and practices implemented and then attract our future talents.

As every year, we organise visits of our company in partnership with the Faculty of Pharmacy. They enable 3rd year students to discover our environment. We also welcome secondary school pupils for their « first steps in business » internship during 1 week to help them discover our company's businesses (50 « first steps in business » internships in 2018).

These measures show results each year... In 2018, Macopharma welcomed 50 interns, and 9 students alternating work and studies. The company maintains a flat rate each year (33 interns and 13 students alternating work and studies in 2017). Our managers strongly commit to training and supporting these students. That's why we hired 4 students for fixed term contracts after their internship.



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SKILLS
DEVELOPMENT

Helping our employees develop their skills is an engagement factor

Macopharma is involved in its staff's training by offering corporate training sessions (products, management, sales, ...) but also commits to meeting regulatory requirements (pharmaco, medical visit, GMP, quality/standards...) and answering the needs in specific training courses dedicated to one's own job. Therefore in 2018 more than 14 400 training hours were provided to our employees. More than 1000 were trained at least once during the year.

QUALITY REQUIREMENT QUALITY, OUR RAISON D'ÊTRE!

QUALITY TRAININGS: WHY?

As a manufacturer of healthcare products, we have to guarantee the quality of our products because patient's health depends on it. In order to meet our obligation in terms of training, we have to provide regular training courses on quality notions and Good Manufacturing Practices (GMP) to employees who may impact our products quality.

2018 QUALITY TRAININGS: HOW?

These trainings are carried out every year on our production sites. Each year, one topic is identified with the Head Pharmacist who validates training tools.

• Site of Tourcoing

This year, the quality training topic for Maco 1 focused on manufacturing processes control. Since November, more than 590 employees have been trained among whom 70% on-site! To this end, more than 40 training sessions have been organised in order to have all the teams trained (morning, afternoon, day, night, weekend). People concerned by training sessions on-site don't have a mailbox (production operators, suppliers, handlers, machine drivers, maintenance technicians...). It was a 1 hour training session validated by an

assessment of learning outcomes through a quiz sheet at the end of the session (score \geq 70%). For absent people or those needed to be trained again (who have not reached the required score), new sessions have to be planned.



For people who have a mailbox: e-learning training on Maco Online training platform accessible on TALK.

• Site of Mouvoux

Quality trainings focused on cross-contamination with a focus on line clearance (critical step of the manufacturing process consisting in removing every element of the previous batch). More than 480 people have been trained (production staff, including night and weekend shifts) through 37 training sessions carried out from end of November until 12th December.

Line clearance is a major concern for us. Trainings on line clearance methodology with empowerment are also planned.

BEYOND AN OBLIGATION...

In addition to the fact that these trainings meet legal obligations, it is a real pleasure to provide them: they enable to put faces on names, have real exchanges, give meaning to what we do, understand better our work environment and everybody's role and accountabilities in quality approach.

Thanks to everybody's involvement (trained staff, managers, quality assurance, team leaders...), this « 2018 quality training » campaign has been a real success!

EMPLOYABILITY AT MACO, A SOCIETAL COMMITMENT

CLÉA PROCESS

• Why?

In 2018 we implemented the CléA certification dedicated to all Macopharma's French employees who are willing to secure their professional career or increase their employability.

CléA is indeed a unique process enabling to assess themselves on 7 key skills after evaluation (communicating in French / calculation / team work / ability to work autonomously / ability to learn / gestures and postures mastering / office applications).

• How?

Information meetings have been conducted on the two French sites. The staff could choose to commit or not to the process by using their Training Individual Account (CPF in French).

The certification proceeds in three phases (self-evaluation / group learning assessment / results individual report).

Two possibilities:

- All the skills are validated, the certification is obtained
- Part of the skills are validated, the candidate is offered a training program.



Caroline
(Filters)

« CléA enabled me to assess myself, to check if I had forgotten things. It is good for us, it reassures us on what we think we have forgotten and that gets back when we go through the process. »



Virginie
(QA)

« CléA enabled me to meet people I didn't know. It lasts only 6 hours, and thus didn't disturb my work. It incited me to undertake other training paths. »

TESTIMONIES



Laetitia
(Cleanliness)

« We can add it on our resume. One word to qualify this experience? Gratifying. It's good to offer this kind of things, it rewards any profession since everybody can do it »



Rémy
(Maintenance)

« It was a good experience. I only had good feedback. It enables to gain self-confidence in regards with our job, what we have learnt and what we can still learn. »

17 SKILLS DEVELOPMENT



MDR (LOL IN FRENCH) DOES NOT ALWAYS MEAN 'LAUGHING OUT LOUD' ...

Medical devices field within the European Union gets through an important period of its history!

The final version of the new Regulation on Medical Devices (MDR) has been published in the Official Journal of the European Union. The regulation came into force on 26th May 2017 in every country of the European Union, and will be effective from 26th May 2020. This transitory period has to be respected by companies as well as notified bodies such as the GMED.

As a manufacturer of Medical Devices, our company must update its technical files and processes within 3 years to answer the new regulatory requirements.

The training department supports this transitory period by setting up an on-site training. The aim is to enable trained people to be aware of major changes included in new regulations and their impacts on their accountabilities and activities.

Employees who will be trained first and foremost this year (more than 80 people) will be highly impacted by this new regulation. First sessions have started in May and will continue until December.

The content and duration of sessions are adapted according to the target audience.

Other sessions are already planned over 2019 for more than 100 employees - France and subsidiaries.

ECDL: EUROPEAN COMPUTER DRIVING LICENCE

Since 2012, Macopharma has enabled its employees to receive ECDL training in order to develop their IT/Office skills and be certified.

In 2018, following information meetings organised by the training department, 10 employees have been trained in ability groups over a period of 3 months (May to July) on different modules.

At the end of the course, we were sent an ECDL evolution report for each applicant. It enables us to measure skills progress between the first and the final test (positioning test vs final test).

This report details weaknesses identified during the final test, as well as skills gained during the training. We have noticed a significant evolution of level for each trainee!!



2ND COURSE CQPI TMI (INDUSTRIAL MAINTENANCE TECHNICIAN) AND CQPI LOGISTICS OFFICER

Objective: qualify employees and secure career path while increasing the company's competitiveness.

The CQPI (Inter-Industry Professional Qualification Certificate) is a trade certification recognised by companies of one or several occupational sectors. Created by the National Labour Commission (CPNE) on the basis of a business-specific reference, these trade certifications certify the acquisition of skills necessary for a specific job, through training or VAE (Validation of prior experience).

2016: 5 assessments CQPI TMI and 10 assessments CQPI Logistics Officer / 100 % of employees assessed are trained for CQP graduation

2016-2018: Training course

End 2018: Success rate of 100 %!

Graduation ceremony planned in 2019

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DIVERSITY: HANDIPHARMA



RAISING AWARENESS OR NECESSITY TO REMOVE PREJUDICES WITH RECREATIONAL AND EDUCATIONAL DAYS:

5TH PARTICIPATION OF MACOPHARMA IN THE INTERCOMPANY RELAY RACE IN LILLE in October, organised by the Association S.O.F, for the benefit of MENTAL DISABILITY with the participation of the ESAT « Les ateliers de Jemmapes » located in Wambrechies.

A COMMITMENT INVOLVING EVERYBODY AND PARTICULARLY THE COMPANY

Our disability policy is deployed in the company's daily life with an increasing interest.

This disability policy reflects in concrete actions in many fields:

RECRUITMENT / SUBCONTRACTING IN SPECIALIZED ENVIRONMENT > MULTIPLE SKILLS AND SOURCES OF WEALTH

Macopharma's businesses equally welcome all competences, should applicants be disabled or not.

With the candidate, we review if his/her work environment matches with his/her disability in order to offer him/her the opportunities to work in the best possible conditions.

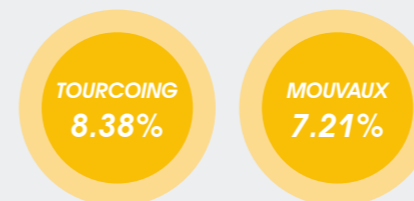
Macopharma has also delegated some printing and manufacturing works as well as maintenance of green spaces to Esat and EA (Institutions that helps disabled back into work and adapted companies)

EMPLOYMENT RETENTION > AWARENESS OF EACH SPECIFIC DISABILITY OF PEOPLE CONCERNED

Adaptation of work stations, work schedules, reclassification through training.

Maintaining employment means finding internal solutions first of all; it is also guiding employees towards external networks that will support them.

RESULTS OF OUR DISABLED WORKERS LEGAL RATE IN 2018



> RESULTS EXCEED THE LEGAL RATE OF 6%

In 2019, Macopharma will continue its commitment to BE AN INCLUSIVE COMPANY

9TH WEEK FOR DISABILITY IN NOVEMBER: 2 DAYS OF AWARENESS RAISING ON OUR FRENCH SITES:



- Sport and Disability
- One-time Sketches highlighting disability and the company through its actions for inclusion
- Demonstration of technology for visually impaired
- « Handicafé » using sign language
- The Clowns de l'Espoir for hospitalised children
- Brioche sales for the benefit of the Papillons Blancs of Lille
- How to cope with blindness: make a smoothie!

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HEALTH, SAFETY AND ENVIRONMENT: THE MACOPHARMA GROUP

ISO 14001 AND OHSAS 18001 CERTIFICATIONS:

All our industrial sites including all our activities have renewed their ISO 14001 and OHSAS 18001 certifications without any major nor minor non-compliance. This good result is related to the involvement of all the teams in HSE fields and particularly internal auditors of these 2 standards who participate in assessing our management system efficiency.



SAFETY RESULTS:

In 2018, no major nor serious accident was registered for the whole group. We have registered 29 lost-time accidents.

The number of LTA has increased by 6 compared to 2017, with an impact on TF1 (+0.8) with an increase from 5,6 to 6,4.

The site of Wrocław (Poland) is the only one which have reached its goals.

The site of Tourcoing has increased its number of LTA compared to 2017 but maintained its severity rate. Durations of the LTA were short and consequently had small impacts.

The site of Mouvoux has registered an increase of LTA for Macopharma's employees compared to 2017, but the number of LTA has drastically dropped for temporary staff for whom strong actions on behaviour management and safety instructions observation have been initiated with the support of team leaders and trainers on site.

The site of Tunisia has reduced its number of LTA compared to 2017 but has not reached its goals.

In 2018, most of LTA are related to behaviour regarding risks control and lack of application of safety instructions included in risks sheet by work station, as well as work instructions.

In 2019, behavioural audits will be carried out unexpectedly by the team management, workshops and sectors supervisors and executive committee of production sites. This assessment of good behavioural practices will also be included in planned inspections processes. An evaluation matrix will be used to identify training needs and raise awareness, according to the behaviour of people concerned.

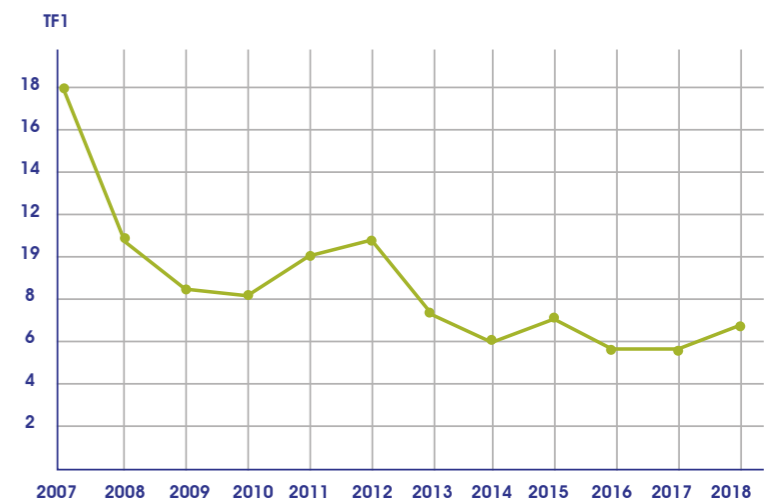
For external companies, no LTA was registered in 2018 despite important and risky maintenance works and new ones carried out.

This positive evolution is related to the strict application of prevention plans regardless of the number of working hours, works supervisory by principals and HSE department, risk awareness actions.

In 2018, we have continued our actions targeted at risk prevention by focusing on near-miss accidents in order to improve working conditions and thus reduce accidents frequency rate.

This action resulted in a near-miss accidents report through an adapted support (post-it system) and accessible to all employees who should aim at acting as fast as possible so that these situations no longer happen.

Thanks to everybody's commitment and a responsible behaviour, we should be able to reach the target of 0 accident.



TF1: lost-time accident frequency rate for 1 000 000 working hours
* LTA report in progress with social security further to reservations (no decision made yet)

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HEALTH, SAFETY AND ENVIRONMENT: THE MACOPHARMA GROUP

The number of occupational diseases registered, related to MSDs (musculo-skeletal disorders), has increased in Tourcoing and essentially in the filters workshop because of repetitive gestures on semi-automatic machines.

Even though workstations are properly adjusted from an ergonomic point of view (according to recommendations of INRS), some actions will be carried out in 2019 to reduce the number of consecutive hours at the same workstation with more frequent rotations from one station to another.

Environmental situation:

Generally speaking, significant environmental issues have been controlled in all the plants. We have not had to deplore any serious accidental event.

Environmental impacts are systematically reviewed through projects and modifications in order to implement technologies and equipment tacking into account:

- Energy consumption
- Raw materials consumption (reduction of process-related waste)
- Risks related to products used
- Final products lifecycle by favouring recycling and/or energy recovery of end-of-life materials

Within its annual programme, each industrial site defines environmental orientations according to local specificities and the strict application of Macopharma's HSE policy.



MACO 1 SITE OF TOURCOING

In March 2018, Maco 1 renewed its ISO 14001 and OHSAS 18001 certifications without major nor minor non-compliance.

RESULTS

Safety

Overall, 2018 is a satisfactory year for MACOPRODUCTIONS in Tourcoing even if the target has not been reached. It is the 2nd best Safety result with 8 lost-time accidents registered.

It should be noted that the seriousness rate of LTA in 2018 is stable compared to 2017. Seriousness rate has been reduced by 3 compared to 2016. This result shows that lost-time accidents have no important impacts on our employees and that they commit to accepting adjusted workstations.

We now need to focus on the way to behave and above all behaviours to eliminate accidents.

Target objective remains « 0 accident! ».
We will succeed together.

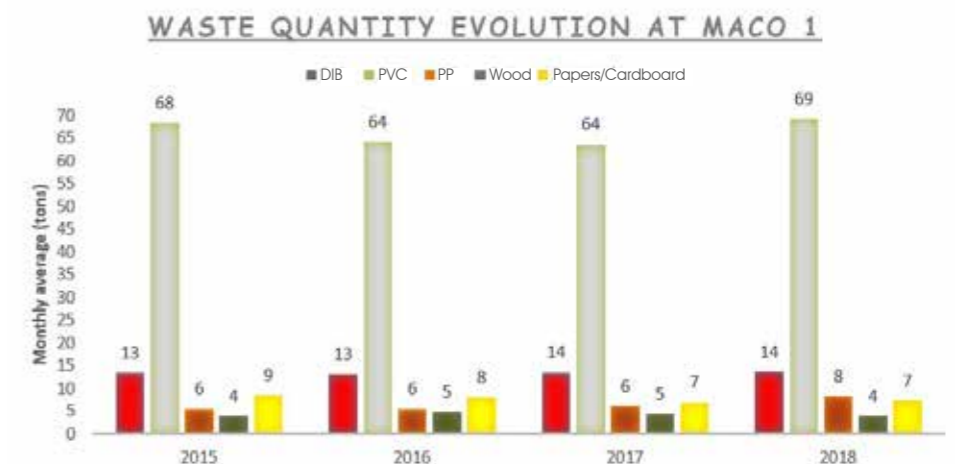
Environment

HSE policy has been updated in 2018, both in its content and format.

Waste production remains almost stable compared to 2015 (see graph).

- Increase in recoverable PVC production related to the functioning of filters workshop 2.
- Significant decrease in DIS production thanks to the decrease in defected kits to destroy and rotations optimisation.
- Despite what still remains to do, DIS station management has noticeably improved in 2018: container labelling, employees' awareness, weekly follow-up.

* Zero accident objective
** Everybody should take part



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HEALTH, SAFETY AND ENVIRONMENT: THE MACOPHARMA GROUP

MACO 1- SITE OF TOURCOING

2018 Key events:

- Obtention of HPR label (Highly Protected Risk) in March 2018 with our Insurer FM. This label is recognised in the insurance field worldwide for the implementation of prevention and protection means
- Renewal of our ISO 14001-OHSAS 18001 Certification. No non-compliance during the Audit.
- It should also be noted the decrease in FEHSE statements. The use of near-miss report led to this result.

Some adjustments in 2018 :

- Installation of a new fire detection station in the Injection workshop ;
- Fire protection of the packing platform extension;
- Fire protection of heat chambers in bacteriology department.

Actions carried out

- Further to a LTA in 2017, securing all SFP machines in the filters workshop was a priority. Technical teams carried out a great work with the modification of Faraday cages and the writing of a more complete preventive maintenance plan.
- The utilities team as well as sub-contractors totally repaired the SFP stock area (ground, lighting, heating). The result is satisfactory.
- In order to comply with the Golden rule N°7 « Movements/ Postures », a system of assistance on how to fill PPI 5L water cans has been implemented in the filters workshop 1. Moreover the Biotherapy department invested in a handling assistance system for 100L barrels.
- The creation of a Safety team in the filters workshop highly improved Safety results of the department regarding the follow-up and implementation of preventive and/or corrective actions.
- Today, the quarterly HSE newsletter enables us to communicate clearly and efficiently on various HSE issues.



MACO 3 SITE OF MOUVAUX

Obtention of HPR label (Highly Protected Risk) granted by insurers for the site of Mouvaux

This label is recognised in the insurance field worldwide for the implementation of prevention and protection means. It rewards sites where there is little chance of a significant claim given protective devices and human organisation set up for event management.

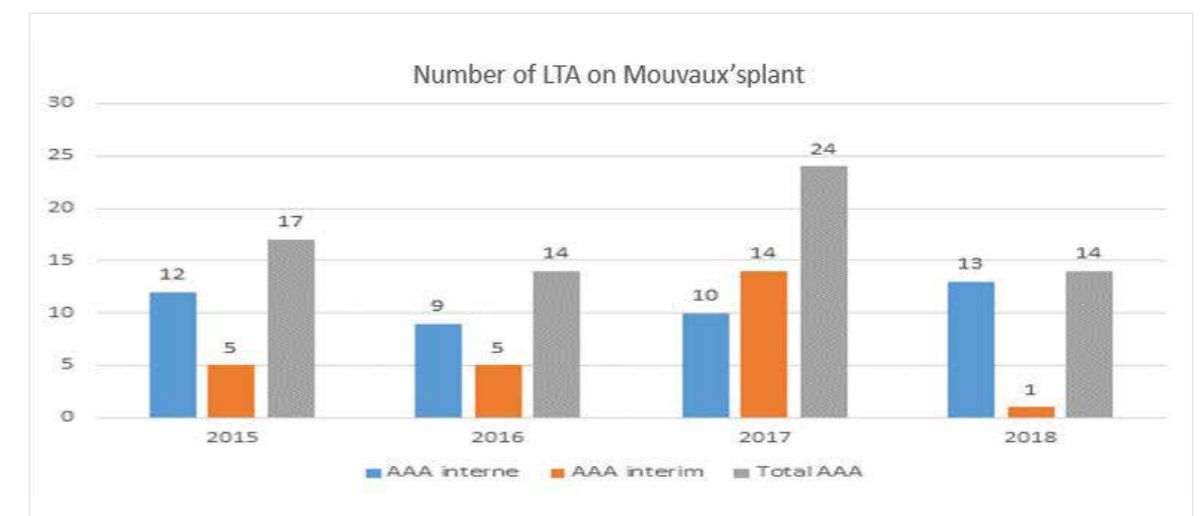
Certifications :

In February 2018, Maco 3 obtained its ISO 14001 and OHSAS 18001 certifications.

Safety results

In 2018 the number of lost-time accidents has decreased on the site of Mouvaux essentially for temporary workers, but has slightly increased for our employees (see graph).

Among other measures, follow-up and temporary workers safety awareness raising actions have enabled to reduce accidents.



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HEALTH, SAFETY AND ENVIRONMENT: THE MACOPHARMA GROUP



MACO 3- SITE OF MOUVAUX

Loads handling

Further to a study carried out on the raw materials stock area, a first step has been undertaken for the reduction of loads and handling.

The action plan includes several axis of improvements such as circulation, postures, equipment, training and work environment.

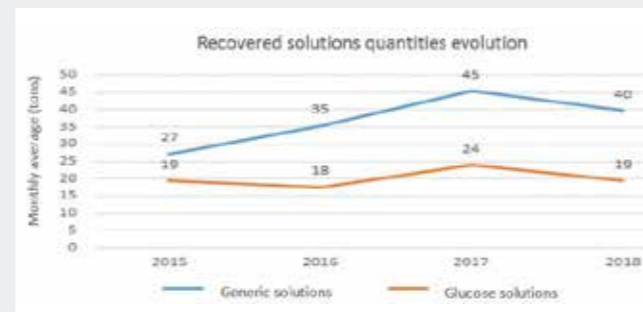
Waste management

Since February 2018, INOX filters have been implemented on a large part of filtration areas in order to reduce the frequency of replacement and optimise transfer times.

This implementation has enabled to reduce the DIB quantity, which had significantly increased during 2016 because of a daily replacement of filters vs a monthly replacement.

Filters changes had also resulted into a significant increase of solution rejects.

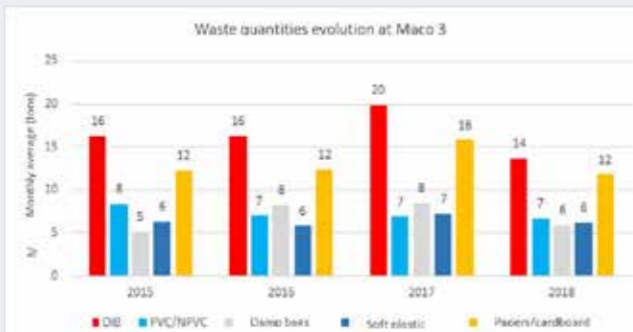
Campaign-mode functioning on some solutions has enabled to reduce this environmental impact.



High accesses securing

During the last years, some works-at-height led to accidents.

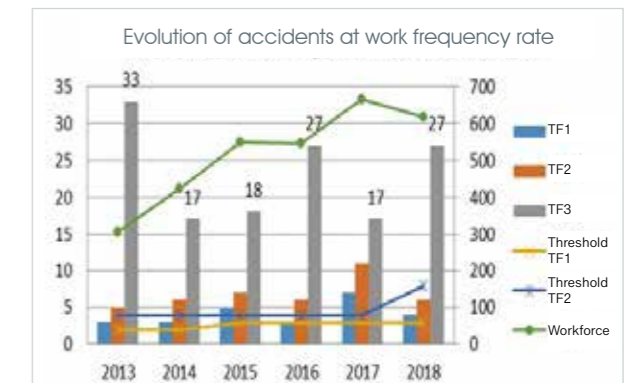
In order to reduce those risks for this kind of works, scaffolds have been systematically installed during operations on distillers and boilers for example.



MACO MD TUNISIAN SITE



As every year, Maco MD plant continues to have its HSE management system improved. In May 2018, Maco MD renewed its ISO 14001 certification (version 2015) and OHSAS 18001 certification (version 2007).



Accidents and occupational diseases prevention

Within accidents and occupational diseases prevention, Maco MD has increased employees' awareness on systematic malfunction and near miss accident reports. Maco MD has continued to control systematically modifications and new equipment before their commissioning. Regarding occupational diseases prevention actions, Maco MD has initiated a prevention

action programme for risks related to loads handling by ergonomics improvement of some workstations and provision of handling equipment. Moreover, in order to limit risks of MSD's related to repetitive movements, the management team has made a significant effort on training provided to operators on the different operating modes in order to ensure their adaptability and rotations between workstations.

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HEALTH, SAFETY AND ENVIRONMENT: THE MACOPHARMA GROUP

MACO MD- TUNISIAN SITE

Trainings and awareness raising actions carried out in 2018

In order to increase even more its employees' HSE culture, Maco MD organised a HSE training programme as every year. To implement it, training campaigns have been carried out on the following issues:

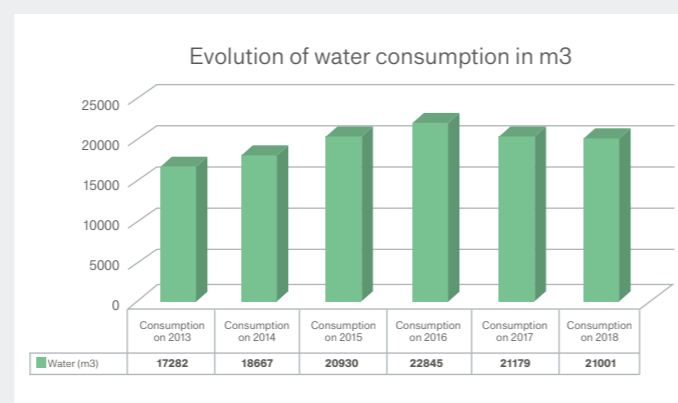
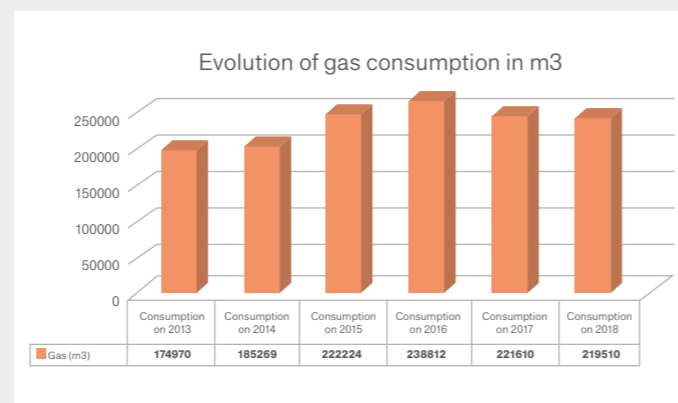
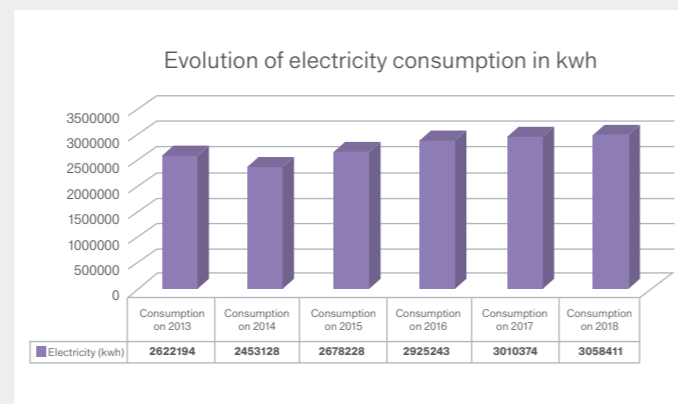
- Training on risks and precautionary measures at workstations
- Training on environmental aspects and their control means
- Training on authorizations to drive forklifts and pressure vessels
- Training of first action teams (first-aid and fire extinction)
- Training on 2015 version of ISO14001 standard

Other actions of information and awareness raising have been carried out during communication and discussion meetings in 2018, focusing essentially on accidents at work and environment indicators.

To vary even more communications, info flash have circulated on Earth Day, dangerous waste rejection management, risks related to movements such as slips and trips, lumbagos...

Environment performance: some figures in 2018 (see graph)

Despite an increase of production volumes between 2017 and 2018, energy and water consumption have been controlled and even maintained compared to 2017 thanks to processes management actions.



MACO POLONIA POLISH SITE

In April 2018, MPP renewed its ISO 14001 and OHSAS 18001 certifications.

SAFETY RESULTS:

- 3 lost-time accidents
- 2 accidents without lost-time
- Number of lost days: 72
- Accidents of temporary workers: 1
- Lost-time accidents frequency rate = 2.93
- Accident seriousness = 0.07

Number of registration of potential accidental events: 26

% of implementation of recommended corrective actions: > 80%

Actions carried out for safety:

- The method to place finished products on conveying carts has been modified. The load transported on the cart has been reduced.
- Replacement of the warehouse guards
- Evacuation plans updating

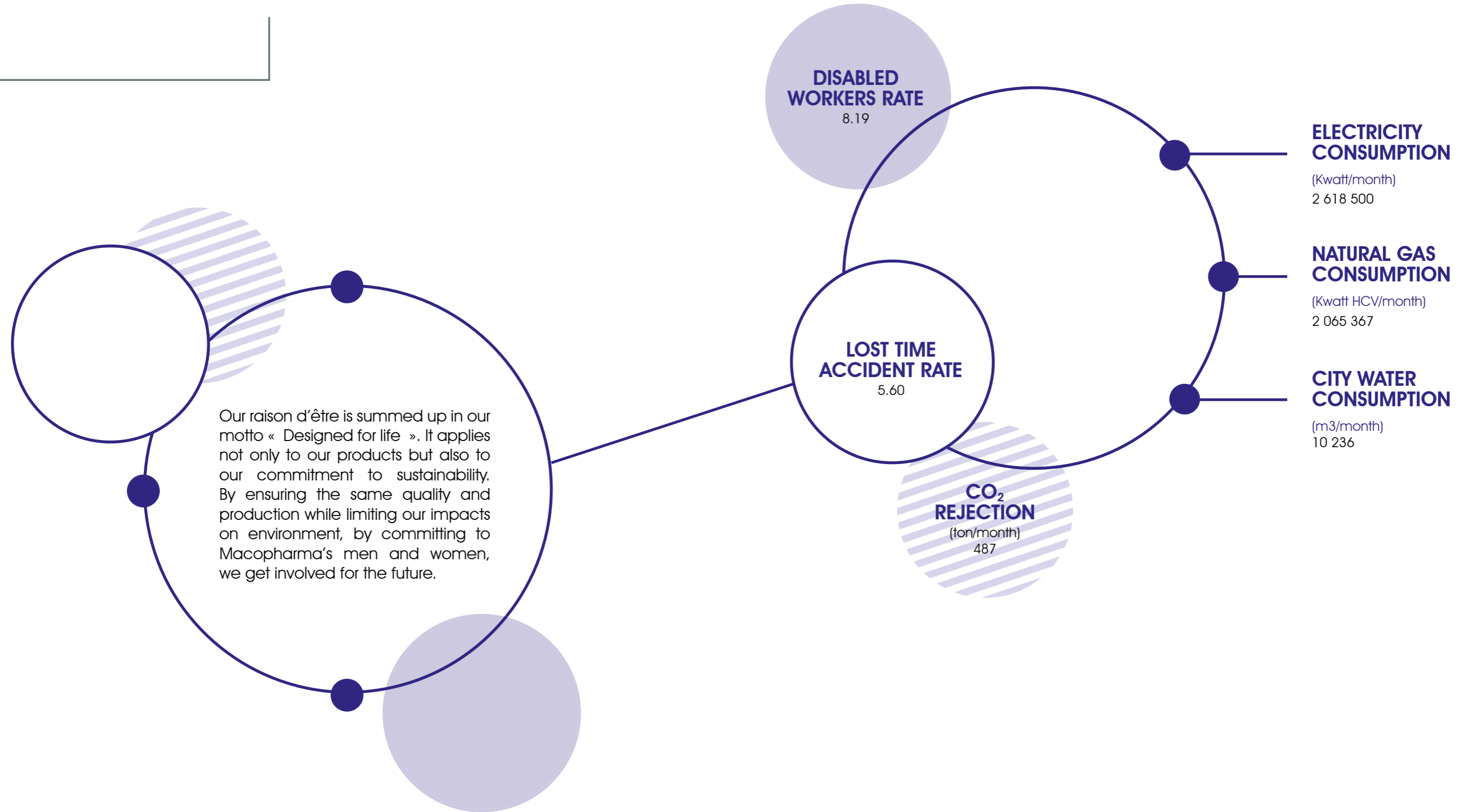
Actions carried out for environment

- Audit on compressed air leaks
- Implementation of incompatibilities management and CAPA database
- Investment for compressed air loop in the Macoplast workshop.
- Reduction of paper consumption
- Reduction of HSE documentation in the EDM
- Improvement of selective sorting at source for municipal waste

Actions carried out for fire protection

- Training of internal rapid response unit
- Automatic firefighting system in the server room whose fire protection has been completely revised.

MACOPHARMA'S SUSTAINABILITY ISSUES / 2018 PERFORMANCE INDICATORS





Thanks to our contributors! This report has been written by numerous employees. We thank each of them for their valuable contribution to the elaboration of this 2018 version.

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