



SUSTAINABLE DEVELOPMENT REPORT

macopharma
DESIGNED FOR LIFE





Caroline HERNU

and the Macopharma
COMEX

Editorial

The end of the year is approaching, **and it's the season to take stock and reflect**, it's also the moment to plan and consider the coming year.

This temporal overlap is perfect for the question of sustainable development, which is not in the past, or in the future, but is instead ongoing in the present.

So, where are we?

The United Nations 2020 report on sustainable development shows that time is against us: not enough progress has been made to achieve the goals that have been set. On a global scale, we are making progress in terms of maternal and infant health, access to electricity and the representation of women in government, but progress is irregular and does not counteract increased food insecurity, environmental deterioration and persisting inequalities.

These elements have a point in common which affects us in particular at Macopharma: **they are all elements of LIFE.**

Macopharma has a role, a duty, to achieve its Designed for Life mission.

This is a daily responsibility, not only **in terms of the products that we produce, which are essential to the quality of life**, and the survival even, of millions of human beings, but also in terms of **our processes which ensure the safety of patients and users**. And last, but not least, in terms of our responsibility to take daily action for life in the world of today, and of tomorrow.

It is a challenge that we take very seriously by thoroughly reviewing our own operations to assess our impact on the world and to aim for carbon neutrality above and beyond regulatory requirements. Indeed, in 2021 we took action by contributing not only to external causes that need to be improved, but also by committing to changing our own ecosystem.

To support life, Macopharma is exceeding the requirements of corporate responsibility to take action through environmental and corporate governance which evolves each day.

Let's forget the date of this report and instead draw on its content as a source of inspiration for our daily actions.

It is this ongoing transformation that will give us the opportunity to beat time. Macopharma is rising to the challenge, **join us.**



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Evolve

UNDERSTAND ITS HISTORY, PAST AND THE BEST WAY TO ENSURE ITS FUTURE. MACOPHARMA IS A COMPANY THAT HAS ALWAYS PLACED HUMAN VALUES AT THE HEART OF ITS DEVELOPMENT STRATEGY.

#01

GENERAL INFORMATION

DISCOVER AND
REDISCOVER
OUR HISTORY
WHICH BEGAN
IN 1977

Every day we give the
very best of ourselves.

1977

Creation
of Macopharma



First
subsidiary
in Germany

1995



2002

New ISO 9001
production
site in Poland



First sales of
Leucolab LCG2
(dockable filters)
in the USA

2003



2012

New production
site
in Tunisia



40 years
supporting
life

2017



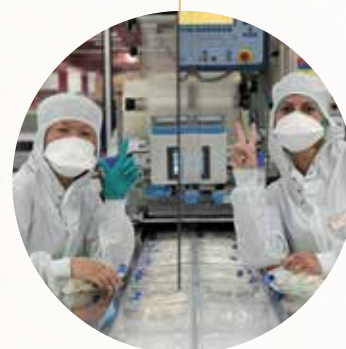
2019

Joint Venture
in China
Launch
of products in
Sports Medicine and
Orthopaedics



Re-launch of
the protective
mask activity

2020



80 countries

2,140 employees
worldwide

4 production sites
on 5 continents

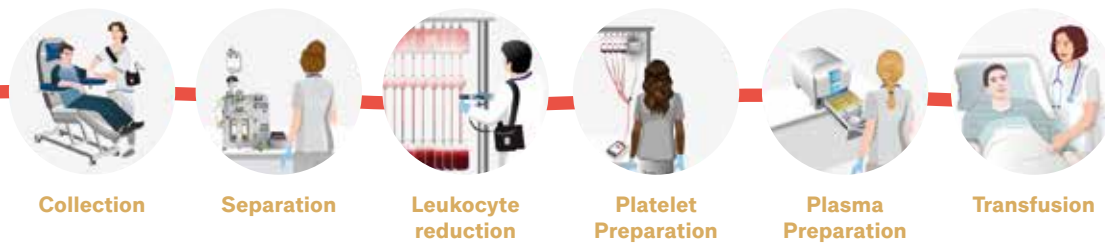


**TRANSFUSION
IS IN
OUR DNA**

Transfusion is at the core of who Macopharma is, and the foundation of our expertise and long history.

For many years, we have been at the forefront of innovation and striving to improve patient care via more efficient processes and products for **the entire transfusion chain, from donor to recipient.**

Every step of the way, we have enabled our customers to **collect, process, store** and distribute blood components that meet the highest safety and quality standards for patient transfusion.



Every patient deserves a more fulfilling life.

That is why we believe in pushing the boundaries of treatment standards by seeking innovation from all sources and leveraging our knowledge and expertise to provide new therapeutic solutions.



**BIOTHERAPY IS
OUR DRIVING
FORCE FOR
INNOVATION**

**A 360° offering in
bio-sourced therapies.**

Biotherapy is Macopharma's incubator of innovation.

Using our combined industrial, technological or scientific expertise, **we develop new solutions** in other therapeutic areas where patients' and healthcare practitioners' needs are not being met.

Every patient deserves a more fulfilling life.

Upholding its **values of sharing, dialogue and progress**, and ensuring respect for the integrity of donors and patients, Macopharma is pushing the limits of standards of care, by pursuing all sources of innovation and leveraging its knowledge and expertise to provide new therapeutic solutions.



Scan the QR code and find out more about our Biotherapy specialisation



**MACOPHARMA:
OFFICIAL
SUPPLIER OF
MASKS FOR
FRANCE!**



Scan
the QR code and watch
our video on the relaunch
of the mask activity

M A S K S

Macopharma has built on its expertise in non-woven materials to expand its product range, especially for filtration applications.

During the avian flu pandemic in 2005, the company set up a facility used exclusively to manufacture protective respiratory masks. In this particular market, the French government selected Macopharma as one of its five official suppliers.

In 2007, the customer portfolio was diversified to serve industrial users, B-to-B customers and healthcare providers. Macopharma currently sells FFP2 respiratory protection devices that comply with the class of filtration efficiency requirements under Standard EN 149:2009.

During the 2009 H1N1 flu pandemic, the facility's workforce was ramped up to 175 employees in order to meet the French government's additional needs.

And, in 2020, the activity was resumed with the emergence of Covid-19.

On 19/03/2020, the first mask came off the production line.

In just one year, we have produced 84 million masks and supplied 500,000 masks to protect Macopharma employees throughout the world.

We are proud to have contributed to the collective effort and to have enabled Macopharma, a socially responsible company, to play a part during this time of unprecedented crisis.



#02

AMBITION /
MISSION /
GOVERNANCE



Develop

OUR VISION IS TO PREDICT AND ANTICIPATE MARKET DEVELOPMENTS SO WE CAN CALMLY SUSTAIN AND DEVELOP OUR BUSINESS ACTIVITY. OUR AMBITION IS TO TAKE ACCOUNT OF TECHNOLOGICAL DEVELOPMENTS AND INNOVATIONS TO AFFIRM OUR CHOICES AND VALUES.



OUR AMBITION

To be recognised as the world's most Trusted Healthcare in bio-sourced therapies.

TRUSTED because WE SHARE the same purpose as our stakeholders: **together**, raising the standards of care in **bio-sourced therapies** to ensure the best possible quality of life for all.

Trusted because our philosophy, "Designed for life"*, is founded on **continually building strong EMPATHY for all Stakeholders in the process.**

Trusted because we believe **OPEN COLLABORATION** is the best way to ensure our **INNOVATIONS** are transformative & safe, globally accessible, and sustainable.

OUR MISSION

From donor collection to patient delivery, we are dedicated to raising the standards of care with **bio-sourced therapies.**

The know-how we've built and our open mindset enables us **to design value-based solutions and services** that contribute to better health outcomes

UNDERSTANDING THE NEED TO CHANGE



Scan
the QR code to discover
our corporate video
launched in 2020!



To understand the need for change, it is important to realise that **our environment has become increasingly unpredictable and is changing more quickly.**

The quantity and speed of information exchanges in 2020 make reactivity vital for the success of a company, but also for its survival. It is not so much that the system of an organisation is becoming bad, **but rather how fast the environment is moving around us.**

WHAT IS THE TOP MANAGER?

The aim of Top Management is to share, discuss ideas, analyse scenarios and make decisions to move the whole organisation forward.

Caroline HERNU - Head of Strategy

The Top Manager enables us to modernise our organisation, while remaining humble, efficient and human, as no structure will ever be able to provide a magic solution to the problems encountered.

Thinking about this new structure, our main objective is still to **be more agile and reactive to our environment** so that we can adapt to any situation: the decision-making bodies should be able to make progress on operational issues, while ensuring a significant contribution from skilled and involved people.

*Pensé pour la vie in French

WHAT PRIORITIES HAVE MADE IT POSSIBLE TO INITIATE THIS CHANGE?

- **Guarantee that working groups align** behind the operational missions of the company.
- **Building work teams** with key people who can contribute to priority issues in an active and operational manner - decentralising certain decisions.
- **Developing transversal collaboration** to better manager collective priorities.
- **Involving and including the organisation's talents** with two main objectives: learn from their different or fresh perspective on issues and contribute to their development by involving them in strategic discussions.
- **Gradually increase diversity** in the composition of the teams.

THE EXECUTIVE COMMITTEE, ALSO CALLED COMEX, IS COMPOSED OF:



Yvan Malepart
President and
CEO



Caroline Hernu
Head
of Strategy



Bruno Desrumaux
Financial
Director



Gauthier Caron
Head of
Pharmacist



Isabelle Rohan
Human
Resources
Director



François Quatresous
Operations
Director

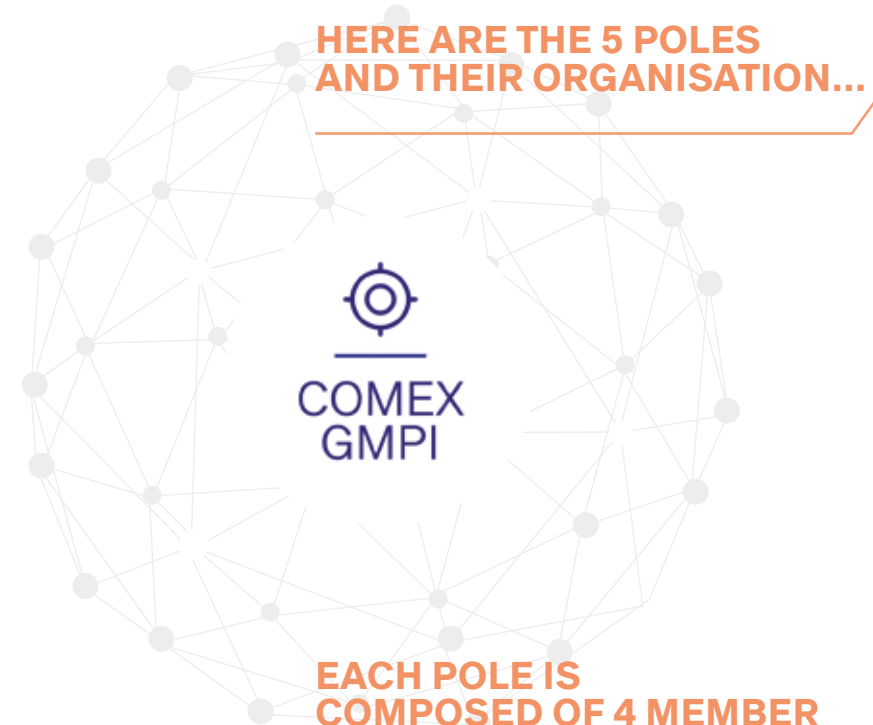
AN EXECUTIVE COMMITTEE RESPONSIBLE FOR 4 KEY MISSIONS

In our organisation, we want to:



Task forces have been deployed and organised into 5 units, supervised and coordinated by a member of the Executive Committee.

HERE ARE THE 5 POLES AND THEIR ORGANISATION...



EACH POLE IS COMPOSED OF 4 MEMBER SEGMENTS:

- **People pole:** coordinated by the HRD and focused on the development of skills and talents, the culture and organisation, collaborative approaches and performance.
- **The Operations pole:** coordinated by the Director of Operations and focused on the production and supply chain of our products, operational excellency, our processes and information systems.
- **The Customers and Markets pole:** coordinated by the CEO and focused on sales and marketing, customer needs and Maco's added value.
- **The Health pole:** coordinated by the chief pharmacist and focused on clinical added value and added value for the patient, and ensuring our compliance with and adherence to all standards.
- **The Strategy pole:** coordinated by the Strategy Manager and focused on our diversification, differentiation and geographic expansion.

- **Core teams:** group of operational experts whose entire role is dedicated to the unit's mission.
- **Ambassadors,** a representative from each of the other units to ensure the company-wide circulation of information. They provide a link and bridge between the units.
- **Community partners** selected from our talent review lists, these members should offer a different perspective on problems and issues. They are not purely selected for their functional role or experience, but for their ability to bring values to exchanges, provide an innovative perspective and foster a different way of thinking.
- **Financial partners** whose role is to ensure the visibility of figures (results, costs, investments, etc.) but also to help every member better understand the financial challenges, main indicators and develop their financial strategy.

“

INTERVIEW with Ludovic Kotewicz



Biotherapy Distribution
Sales Manager

”

What does the term “community partner” mean to you?

Each pole has a key mission and a varying number of challenges each year that can change. As Community Partner within the Customers and Markets Unit, my role is to participate with the group in the Unit's missions. Being a community partner also means providing a link between the pole and the organisation, for example if some of my colleagues talk to me about a subject that is within the remit of the C&M pole, I can include this subject in the unit's agenda so it can be discussed and feedback can be given.

If you take a step back from the functional role, for me being a community partner means having the TRUST of the organisation and all the colleagues I work with on a daily basis.

You've been a community partner for over a year, what do you think you've brought to your pole?

The first thing is directly related to my daily work, I hope that I have managed to provide the group with correct feedback from the field and the dynamics of our markets. I also think that asking questions is often a good way to clarify issues and problems. Lastly, the role of a community partner also involves relaying messages from the pole to the organisation and I have had many opportunities to do that.

What have you learnt?

I have learnt a lot over this past year. Firstly, because I have been involved in issues and challenges that have not been so directly related to operational tasks. Then, working with a different team and multiple backgrounds on common issues has really helped me learn how to take a step back and get a real overview of the issues.

From a personal point of view, I am continually trying to improve how I communicate, add more structure to my ideas and use the skills I have acquired to deliver a message adapted to the different ways we process things.

I am continually learning.

What are the main skills you need to be a good community partner?

For me, the most important thing is being able to take a step back from everyday tasks and quickly understand the various projects, actions, issues, etc. and see them from a sales development perspective.

The issues of the C&M unit naturally lead you to use and develop skills to understand the dynamics of business and gain a broader perspective, as well as manage complex situations.

Bounce back

CRISIS MANAGEMENT IS BOTH AN OPPORTUNITY AND THREAT. AT MACOPHARMA, WE HAVE ANTICIPATED THE VARIOUS DIFFERENT CRISES BY CHANGING THE WAY WE WORK TOGETHER, BOTH REMOTELY AND FACE-TO-FACE.

#03

HIGHLIGHTS

IN 2020, BETWEEN COVID-19 AND CRISIS MANAGEMENT...

Continuing our business activity for total customer satisfaction!



On the 5 March 2020, an event sheet relating to business continuity was drawn up in order to monitor the impacts related to changes in the spread of the Covid-19 virus.

Firstly, from 9 March 2020, this monitoring was carried out by the operations pole (production, supply chain, purchasing, automation, HSE) in the form of a daily meeting. This daily meeting provided an up-to-the-minute report on our activities so we could act according to the spread of the virus and on the initial difficulties encountered.

Based on our **Business Continuity Plan** (BCP) with different alert levels relating to the various stages of the epidemic, a crisis unit composed of members of the Management Committee (COMEX) and members of the operations unit was set up on the 13/03/2020.

This meant that information could be reported and relayed every day by local teams from the production sites in Poland, Tunisia and France and by the commercial subsidiaries.

The BCP was thus activated and the various items listed below were then automatically reviewed at the crisis management meetings (daily planning, then changes to the planned frequencies according to the criticality of the situation):

- **Update on the actions decided upon in each State** by the respective Ministries of Health for strict application in our organisations and to define all necessary actions.



Scan
the QR code and discover our
business continuity press release
disseminated at the start of the
pandemic.

- **Priority is given to protecting our staff** in the face of Covid-19, even beyond the recommendations of each State. A risk assessment for all stages of our processes was carried out in order to implement prevention and protection measures on our sites and subsidiaries (e.g.: sending FFP2 protection masks).

- **Implementation of remote working** which was deployed smoothly by our IT teams, thanks to a systematic communication strategy between managers and our teams which allowed us to maintain the social and moral link with employees.

- **Review of the quantities to produce** for each site in relation to the planning report for semi-finished and finished products.

- **Adaptation of all our production units according to the constraints** (e.g.: following the constraints in Tunisia, manufacture of assemblies by the site in Poland, as tested during the real-life situation in 2016).

- **Monitoring of sales to customers and their emergency stock.**

- **Management and adaptation of inter-site transfers** and transport to customers.

- **Monitoring and maintenance of supplies** by our raw material suppliers and service providers (subcontracting).

- **Maintenance and monitoring of automation equipment.**

- **Deployment of the lines of communication set out in our BCP:**

- **Internally:** information meetings with operational teams, memorandum (display and email), communication on screens: Maco TV, on the intranet: Talk and by video: Maco Remote.

- **Externally:** to customers, to reassure them of our situation and crisis management for our suppliers of raw materials, services, transport, etc.

All of the Macopharma teams have been and still are mobilised to

minimise the impacts of this pandemic. Thanks to their devotion and adaptability, we are producing and placing health products on the market and our activities are a priority.

We have been able to manage all activities in order to deliver to all our customers, including FFP2 masks for the French government (the mask activity was relaunched in March 2020).

Each and every one of our employees is an important link in the health chain.

This allows patients to be treated with our transfusion and biotherapy devices and medical staff to be protected with our masks.

We have received **a great deal of positive feedback from our customers** regarding the crisis management by Macopharma's teams and the effectiveness of our business continuity management system.

HIGHLIGHTS

RELAUNCHING THE MASK ACTIVITY TO TACKLE THE COVID-19 VIRUS!

On the 29 February in France, the first restrictions to minimise the impact of this new virus were imposed: as the cap of 100 cases was passed, gatherings of more than 5,000 people were banned. Masks and hand sanitisers were requisitioned.

Restaurants, bars and cinemas closed on the 14 March, with crèches, schools and universities closing two days later.

At midday on the 17 March, France went into lockdown!

During that time, the Masks production workshop came into being in the Maco 3 storage area, right next to the Biotherapy R&D laboratory.

On the 07 February, Senior Management made the decision to relaunch the Mask activity without having any orders or knowing whether the teams would be able to acquire the necessary supplies, restart the machines, received regulatory approval and keep up with the production rate required by the mask shortage.

On the 10 February, a multi-disciplinary crack team, in commando mode, got themselves up and running with a catchword: “COVIT”, the speed in collaboration!

A spirit of solidarity emerged and many people from different departments came and helped us restart the activity.

In just 42 days the first masks were being produced having started from almost nothing.

Things happened very quickly, but not rashly and in accordance with our QHSE standards and in good spirit!

Linda TROVATO - Manufacturing Product Manager

On the 11 March, the French government commissioned us and officially committed to an order from the French national public health agency, Santé Public France.

On the 19 March, the first mask came off the production line.



**This venture is full of lessons.
A great lesson in life:
“a positive mindset produces
positive results”.**

A huge thanks to everyone involved, directly or indirectly, in this amazing adventure.

HIGHLIGHTS

Giving school supplies
to Cameroonian
school children



In October 2020, Macopharma made a donation to **support education during the Covid-19 pandemic**. Six hundred Cameroonian schoolchildren were delighted to receive school supplies from Macopharma. The operation, managed by the association "Les Nubiennes" who were on hand during the distribution, was a great success!

Thank you to all the volunteers for their humility and empathy. All of the volunteers did a great job collecting and packaging! Macopharma is committed to social and environmental responsibility through concrete actions that contribute to making the world a better place. Another way to support life...

Making a
donation
to a Tunisian hospital



In May 2020, a precious donation was offered to the emergency department at the **Hospital Abderrahmen Mami de Pneumo-Phtisiologie**, in the presence of the Director of the Emergency Department and the Regional Director of Public Health, who expressed their deepest gratitude to the Macopharma Group and its employees.

This hospital is specifically dedicated to the treatment of patients with COVID-19 in Tunisia.

This donation consists of a MED CAPTAIN Laryngoscope Video and a BIPAP PRISMA VENT 40 Respirator!

Helping Lebanon with
Medical kits for explosion
victims



Distribution on Lebanese soil of:

- **2,000 to 3,000 kits** given to several hospitals in Lebanon, the American hospital, the Lebanese Red Cross, because, at the time, everyone was in great need of it!
- **Thousands of bags and filters** Macopharma also provided thousands of bags and filters!

After the accident of the 4 August 2020,

a safety plan was implemented by Macopharma just 15 days after the explosion and one week after the tragedy, the situation was well under control!

Supporting
Poland through
key events...



Following the Covid-19 epidemic, and the difficult economic situation, the Polish health services needed help.

At the initiative of a colleague, **a collection of items needed for the hospital** was organised in **April 2020** to collect pyjamas, serviettes, bed sheets, duvets and pillows.

On our Polish site, we have also created our own fabric mask design room.

#04

SOURCING

Dialogue

WORKING IN COLLABORATION IS SHARING THE SAME MINDSET AND VALUES. OUR STAKEHOLDERS ARE PLAYERS WHO ARE LIKE US AND UPHOLD THE SAME COMPANY VISION.



DIALOGUE WITH OUR STAKEHOLDERS

OUR PUBLIC PARTNERS

- Municipalities
- Authorities
- Institutions
- Administrations

OUR BUSINESS PARTNERS

- Customers
- Suppliers

OUR INTERNAL PARTNERS

- Our employees and our social partners
- Our shareholders

OUR SUPPORT SERVICES

- Scientific and industrial partners
- Banks and financial institutions

OTHER

- Associations
- Media
- Residents

SOURCING

*We develop, transform the company
and achieve our goals through
our stakeholders.*

Aymeric VANHOUTTE - Director of External Production

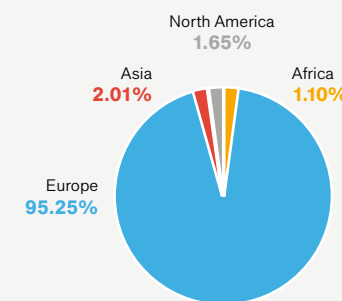
SELECTION OF SUPPLIERS:

■ Suppliers are selected based on our quality management system.

Quality controls, regular audits and supplier evaluations are carried out to ensure compliance with Macopharma's specifications and suitable level of quality.

■ Suppliers are also selected from a geographic point of view to minimise the environmental impact and to facilitate supply chain management.

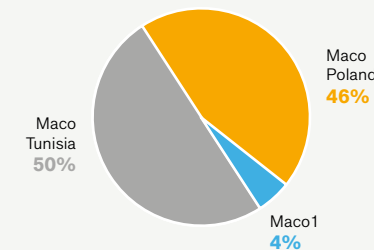
On this basis, 95% of our suppliers are based in Europe.



CURRENT SUPPLY AREA:

Raw materials:

- 95% European suppliers.
- > +/- 50% France, 15% The Netherlands, 14% Poland
- > Indirect product facilities... from local suppliers
- 5% outside of Europe: USA, Japan, Singapore, China...



- Coherence between the supplier area and place of production.
- The strategy: to be as close as possible to the production plant.
- European suppliers meet our specifications and GMP/MACO standards.

#05

HUMAN RESOURCES

Sharing

DIVERSITY IS IN OUR DNA. WE TAKE CARE TO RECRUIT AND BRING OUR EMPLOYEES INTO A GOOD WORKING ENVIRONMENT SO THAT THEY ARE GIVEN EVERY OPPORTUNITY TO BUILD THE COMPANY OF TOMORROW TOGETHER.

TRAINING ACTIONS IN 2020

2020 has been very difficult in terms of training, with each one of us caught off guard by the health crisis and global confinement that it led to. The first quarter was not very productive in terms of training, as all of the in-person training sessions that were scheduled had to be cancelled.

We had to get organised and adapt to offer other solutions, the training organisations themselves were not ready and it wasn't until the second quarter that we were able to resume training sessions remotely, and provide programmes that are still engaging and effective for developing skills. This led us to change the way we do things and the way we collaborate, but also to develop our tools.

In 2020, we also launched a training resources platform so that every employee in the Group can find out about, learn about or increase their awareness of technical or societal subjects, either in their particular field or a different field, and thereby allow them to play an active role in their skills development.

	Workers	Clerical, technical and supervisory staff	Senior Managers
Humber of hours	1654	1840	3739
Number of people who have followed at least one training session	446	214	255
Average number of training hours per employee	3.7	8.6	14.9

NUMBER OF TRAINING HOURS/GENDER/SOCIAL AND OCCUPATIONAL GROUP

	Senior Managers		Senior Managers Total	Employees		Employees Total	Workers		Workers Total	Clerical, technical and supervisory staff		Clerical, technical and supervisory staff Total	Overall Total
	Women	Men		Women	Men		Women	Men		Women	Men		
Humber of hours	2131	1608	3739	211	52	262	1134	520	1654	820	757	1577	7233

AVERAGE NUMBER OF TRAINING HOURS/EMPLOYEE/GENDER/SOCIAL AND OCCUPATIONAL GROUP

	Senior Managers		Senior Managers Total	Employees		Employees Total	Workers		Workers Total	Clerical, technical and supervisory staff		Clerical, technical and supervisory staff Total	Overall Total
	Women	Men		Women	Men		Women	Men		Women	Men		
Number of session hours	2131.12	1608.31	3739.43	210.73	51.56	262.29	1134	520.01	1654.01	819.07	757.26	1577.23	7232.96
Number of people	124	131	255	36	13	49	357	89	446	76	87	163	913
Average training hours	17.2	12.3	14.7	5.9	4.0	5.4	3.2	5.8	3.7	10.8	8.7	9.7	7.9

ORGANISING WORKSHOPS TO TRAIN MANAGERS

At the end of 2019, we organised workshops to identify the keys skills of a manager required for the transformation undertaken by Maco. Indeed, **supporting employees** is essential to achieving our ambition of diversification, geographic expansion and doubling turnover in a world where we are under significant cost pressures. That requires us to **change how we work** in order to break down workplace silos and rapidly get the teams involved in the action plans. Collaboration, commitment and team responsiveness are becoming a major factor in the current fast-changing situation.

It is with regard to this ambition that the **10 key skills of model leadership have been chosen** and help the manager manage their team, from recruitment right through to their development. Model leadership is reflected in the recruitment process, the daily actions of employees, the assessment and performance processes such as the *talent review*, and in the support plans.

COLLABORATE

Collaboration is the art of bringing people together and pooling their skills, talents and knowledge to reach a shared objective. It's about **creating a synergy**: by combining each person's efforts, we can achieve something better than we could on our own. Indeed, effective collaboration depends on a spirit of reciprocity. It is essential to be open-minded and freely share ideas, while simultaneously getting involved and taking responsibility

COMMUNICATING EFFECTIVELY

Good communication leads to mutual understanding, alignment and action. At all levels of the organisation, people **share ideas and knowledge** and keep each other informed about have arisen, progress made and solutions implemented. Clearly, in a way that everyone can understand. They must also be able to listen to other people, and take their ideas on board.

PRESENTATION OF MODEL LEADERSHIP

Leading@Maco

TAKING A VISION AND MAKING IT MEANINGFUL

In the face of change and uncertainty, **a manager must be able to take the company's vision and make it resonate with others.** They need to lay it out with markers and milestones, encouraging people to come on board. Workers will become invested in a vision if they understand how their work forms part of the bigger picture. As such, only by being personally and deeply involved can a manager expect their team to be the same

DEVELOPING TALENTS

Every organisation **needs its employees to grow and develop** alongside their projects and the organisation itself. **The manager plays an essential role in the development** of their employees by providing support and feedback, by orienting them correctly and giving them wider scope to act.

SHOWING COURAGE

Difficult questions must be addressed, and hard truths must be told. This means that managers must be able to meet complex situations head-on and resolve them constructively. They must be able to say the right thing at the right time to the right person in the right way. This is how things can move forward.

UNDERSTANDING THE BUSINESS AND THE MARKET

Knowing what's going on in their own field and their own market is crucial for any manager. This means understanding how the different departments and different levers within the organisation work, and how the company makes money. It also means looking outwards (at clients and the competition), identifying trends and uncovering any threats or opportunities.

TAKING AN INTERNATIONAL VIEWPOINT

Today's world is an international one, no matter which country you live and work in. **It takes time to develop an international perspective, and requires both broad experience with a variety** of international issues and a rich tapestry of relationships with people from different countries and different cultures. This gives a manager the resources they need to resolve complex problems or explore new opportunities.



Roxane SMITH
Macopharma Manager
USA

Every Macopharma employee can be a leader and I think that one of the best attributes that illustrates this is speaking with courage. We have discussed this, along with the qualities of leadership, with every member of the team at the annual appraisals and underlined the importance of expressing themselves with conviction when sharing their ideas, and I can confirm my commitment to listening to them!



Leading@Maco



Adam CARR
Commercial Manager
USA-Canada-Australia

Complexity is what we have been faced with in this pandemic. Seeing our customers' activities stopping and restarting in the midst of a global crisis... Our ways of working and our organisation fell by the wayside, but we remained focused, kept our sense of perspective and therefore managed the complexity!



PLANNING AND WORKING TOWARDS RESULTS

In order to obtain results, a manager must **share a vision, set priorities, and establish and execute action plans** leading towards the stated objective. Planning is particularly important in a world of change and uncertainty: it structures objectives in terms of the actions needed, and helps identify obstacles and develop alternatives. Action-oriented managers create a culture in which performance is a constant priority.

MANAGING COMPLEXITY

In the world today, we are confronted with increasingly complex issues on a daily basis. This means we have to ask the right questions, and analyse diverse and varied sources in order to accurately identify the problem before looking for a solution. It also means evaluating advantages and disadvantages, and seeing the upsides and downsides of the different possible solutions.

LEARNING TO BE AGILE

Change is coming faster and faster, and **we need to learn quickly and implement new, innovative solutions.** Being agile means taking risks, accepting the imperfect, accepting the past, going against the flow and blazing new trails. It means living in the now while using past experiences and anticipating the needs of the future.



Mohamed BOUAKKAZ
International Financial Controller

I decided to challenge myself and left Macopharma for two years to take myself out of my comfort zone. I eventually returned with new skills of benefit to our company and the promise I made to myself to never stop learning. For me, every mistake is an opportunity to broaden my knowledge.



DISCOVER THE NEW COMPANY AGREEMENTS

In 2020, despite a more than troubled period with the health crisis, and in exceptional circumstances, **we adapted** in order to continue making progress on social issues with social partners.

Therefore all of the Social and Economic Committee (CSE) meetings were still held so that the actions taken to protect our employees at work could be monitored as the crisis evolved.

Mandatory consultations on strategic directions, social (training, etc.), financial and economic policies were maintained and presented within the required time limits to staff representatives.

Social dialogue has been more constructive, as in just one year, we have renegotiated no less than 8 company agreements in France:

remote working, gender equality, as well as strategic workforce planning (SWP) or profit-sharing.

All of these agreements are monitored by regular committee meetings and aim to optimise the social environment of our employees, enable them to work in better conditions, develop their career, participate in the performance of the company and be recognised.

What commitments have been made in the various agreements?

Gender equality with respect to recruitment, professional development, salary increases and access to training. The gender equality index has been published on our website and is 94%. A comparative situation report is carried out annually and an analysis of the various different indicators shows whether deviations are appearing and whether actions need to be taken.

This report is also analysed by the Committee. In addition, reminders are issued in the *guidelines* of the various “salary reviews”, with a view to raising awareness among our managers about fairness and equal opportunities, and about non-discrimination against pregnant women.

Work/life balance with the introduction of remote working and the acquisition of new crèche places.

Diversity: Multiculturalism is at the heart of the company, and with our 20 different sites and 2,200 employees, the company as a whole represents 38 different nationalities.

Recruitment: advertisements and selection without discrimination. Recruitment based on skills and expertise.

MyHRcorner

In 2019, we launched a new digitalisation tool for HR tools and processes, in particular annual and professional appraisals, salary and performance reviews, etc. This tool is now an integral part of the daily lives of managers and helps them to be more effective in the role of operational manager by opening up a dialogue, providing an overview of the various targets and actions performed by their employees as well as the training they have completed. The manager is therefore better able to support their employees in their development and management of their performance.



EMPLOYEE ENGAGEMENT SURVEY



Group participation rate: 80%
that is 1,776 people out of a total workforce of 2,196.



In 2019, an employee satisfaction survey was launched.

In 2020, all of the EES results (Employee Engagement Survey) were communicated to the Group's employees. **More than 60 face-to-face or video meetings were held in 4 different languages throughout the world by the Group's HRBP.** Every country, department and team received specific feedback of the results for their area and thereby gained insight into the strengths identified by employees but also the main lines of work and improvement expressed at field level.

This survey **gave employees an opportunity to** express their opinions and highlight the conditions for success and their level of engagement, thereby expressing their trust and attachment to the company.

Several dozen action proposals are now consolidated by theme and, after analysing the feasibility and resources required for implementation, the actions will be deployed with sufficient timing for optimum implementation.



For the whole group, the employee level of engagement is 67%

which is slightly above the panel of companies with which it is being compared.

This survey revealed:

- A great attachment to the Group and its values.
- Confidence in the strategy.
- A patient and quality-oriented mindset.

Well done and thank you to everyone!



Scan
the QR code and
discover our latest HR
news on our LinkedIn
page



Support

WE CULTIVATE THE IDEA OF LIVING TOGETHER BETTER! MACOPHARMA IS A COMPANY COMMITTED TO DISABILITY. WE GENUINELY BELIEVE THAT DIFFERENCES STRENGTHEN OUR TEAM SPIRIT AND WE OFFER REAL EQUAL OPPORTUNITIES FOR EVERYONE.

#06

DISABILITY POLICY



OUR
MISSION: TO
FACILITATE
DISABILITY
IN 2020

DISABILITY POLICY

SOME CHANGES
TO THE DISABILITY LAW IN 2020

[Main points but not a full list]

■ **Employment Obligation Calculation: grouping of multi-site companies**

According to the new law of 2020, companies with several sites must submit their declaration on the workforce at company level. Accordingly, Macopharma will only submit **one declaration** for its Mouvaux and Tourcoing sites.

■ **The National Rate**

The required proportion of people with disabilities in the company's total workforce **remains at 6%.**

■ **Recourse to specialised outsourcing:**

ESATs (*Etablissements et Service d'Aides Par le Travail* [French medical and welfare organisations that help integrate people with disabilities into the mainstream labour market]) and EA (*Entreprises Adaptées* [Adapted Companies]), as well as Disabled Worker Independents and Micro-entrepreneurs, are no longer included in the total Beneficiary Units, but **are offset against the contribution** to pay if the quota of 6% is not reached.

DISABILITY POLICY

■ **Mandatory Declarations of Employment of Disabled Workers (DOETH)**

Since 2020, Declarations of Employment of Workers recognised as Disabled (RQTH Disabled Worker Status Recognition) are made monthly via the DSN (*Déclaration Sociale Nominative*) and managed by Urssaf, the French social security authority.

However, an **annual declaration remains mandatory and essential** to understanding the results and calculating any contribution of the company with recourse to subcontracting which will reduce the amount.

The contributions obtained are always managed by Agefiph (French Association for the Management of the Employment, Training and Integration of Disabled Persons) for the employment of disabled workers (training, support, etc.).



WHAT IS OUR EMPLOYMENT OBLIGATION ON 31/12/2020?

DOETH (DECLARATION OF EMPLOYMENT OF DISABLED WORKERS)

RESULTS

Workforce in FTE _____	731.23
Legal Obligation to reach regarding the Direct Employment Rate of Disabled Workers _____	43
Employment obligation beneficiary units reached by Macopharma _____	49.48
Total % of BENEFICIARY UNITS _____	6.7%

Macopharma does not have any contribution to make for 2020 as the quota of 6% has been reached in direct employment
(employees recognised as disabled workers in the company)

A company based on strong human values, the health crisis has not prevented Macopharma from continuing its commitment to disability.

Our disability policy has simply been adapted as, above all else, we are dedicated to activities that raise awareness around this issue.

In addition to Hiring and Retention, which are the main objectives of our disability policy, **Macopharma is committed to:**

- **Using subcontractors** for packaging FFP2 masks, maintaining our green spaces, some office work (envelope stuffing, etc.).
- **Providing information and Communication** through publications in the internal newsletter: Maconew's, the intranet: Talk and screens: MacoTV.
- **Raising awareness** to improve knowledge and integration.

KEY ACTIONS OF 2020



The Brioches operation to help
PAPILLONS BLANCS de LILLE



The Brioches operation to help **PAPILLONS BLANCS de LILLE:**

Sale of Brioches in October and distribution during disability week.
The sum collected was donated to the Association by Macopharma.

Disability Week in November:

In contrast to previous years, this event was held digitally to comply with the health restrictions. Various events were organised, such as:

- **Films** concerning members of the Management Team on different themes (the various different disabilities, disability at work, the example of disabled athletes, technologies supporting people with disabilities).
- **Knowledge quiz** on Disability (prizes for the winners).
- **Gift** handed out to all employees (first-aid kit).

WE STRIVE TO ENSURE THAT OUR COMPANY IS BENEVOLENT DISABILITY CONCERNS EACH AND EVERY ONE OF US.

It is a human situation and we must all ensure that people
with disabilities have their place in our society.

MACOPHARMA SEEKS TO ENSURE THAT DIVERSITY IS A STRENGTH WITHIN THE COMPANY.



Anticipate

THE CONTROL OF RISKS RELATING TO HEALTH, SAFETY AND THE ENVIRONMENT IS AN OVERRIDING PREOCCUPATION. PROTECTING MACOPHARMA'S STAKEHOLDERS IS OUR REAL RAISON D'ÊTRE.

#07

HEALTH SAFETY
ENVIRONMENT

**IN 2020:
ENSURING THE
SAFETY OF OUR
SITES, FACILITIES
AND STAFF!**

**Safety results 2020 –
Very good progress for the
Poland site and mixed results for
France and Tunisia**

2020 saw differences between our production sites in terms of reports of **Lost Time Accidents** (LTA).

The Poland site had an excellent year with only 1 LTA.

This improvement compared with the previous year (7 LTAs) was achieved by the **mobilisation of all teams** to deploy the fundamentals of safety management set out in the HSE improvement and progress plan and correct high-risk practices through behavioural audits.

The Tunisia site registered 2 LTAs including one serious accident due to electrification during the intervention of an engineer. Even though he was authorised and trained, the lockout rules were not fully applied. Behaviour!

The sites in France registered 9 recognised LTAs and 1 LTA which is being disputed with the French national health and pensions organisation (sécurité sociale).

After analysis, the 3 main causes are as follows:

- 3 due to technical failures on work equipment.
- 3 due to physical problems during movements at the work station.
- 3 due to inappropriate behaviour with regard to the safety guidelines.

On average, sick leave is of short duration with a severity rate of 0.12 for LTAs reported in 2020.

In terms of COVID risk control, we have prioritised the protection of all our employees located all around the world. One example of this is the continuous use of FFP2 masks.



**POLAND
TUNISIA
FRANCE**

This mask is PPE (Personal Protective Equipment) which provides a high level of respiratory tract protection. The task forces have also adapted to ensure an optimal level of safety that often goes beyond the health protocols of local health authorities.

For the Macopharma Group, the number of LTAs in 2020 was **12** which is decrease of around 35% compared with 2019 (on a comparable basis following the deconsolidation of the infusion activity).

The Frequency Rate 1 (FR1) 2020 of the Group is **3.67** (target < 3.5) and the severity rate is **0.15**.

Despite the health crisis, we were able to conduct behaviour audits on all of our sites by questioning all of the teams and issuing certain HSE reminders in an environment of dialogue and exchange.

SECURING THE NEW MOUVAUX FACILITY

0 accidents despite the urgency of the construction of the Masks production facility on the Mouvaux site...

Faced with the Covid-19 pandemic, and at the request of the French government, we had to urgently re-establish the production of FFP2 masks on the Mouvaux site.

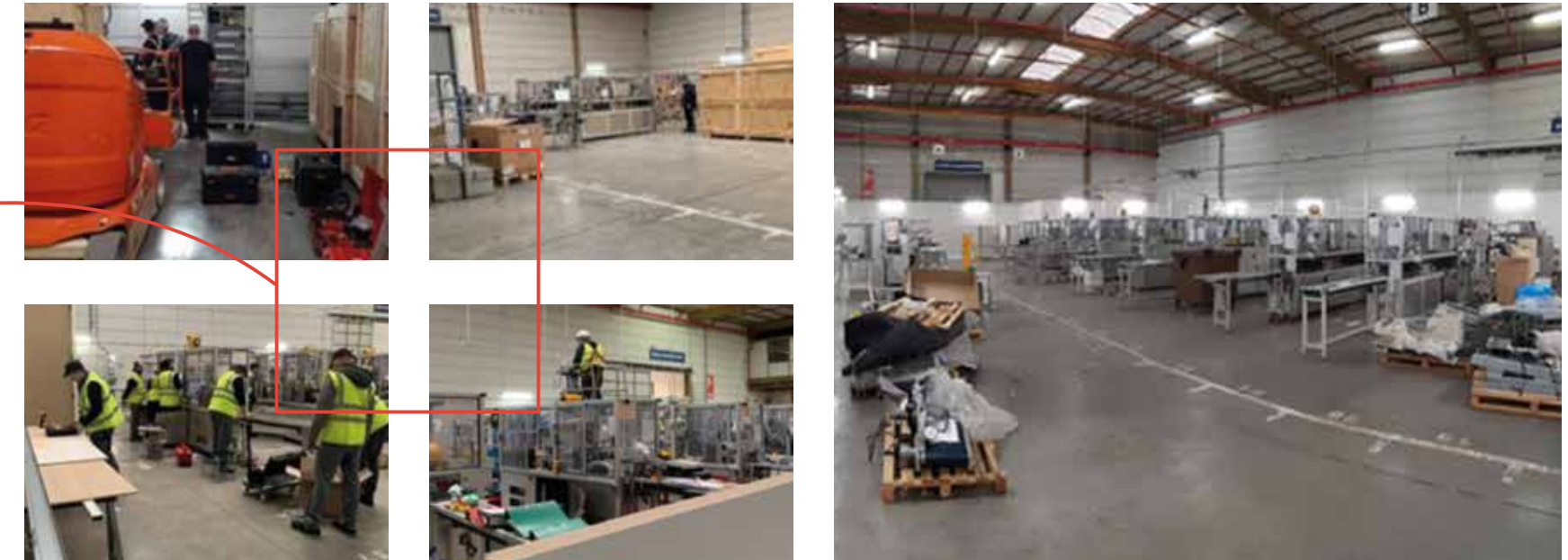
The relaunch of the masks activity was a great success both in terms of the speed of production start-up and the “safety” management of this construction site which was completed **without any work-related accidents**. This excellent “result” was due to of risk control, co-activity between our technical teams and external companies through the preparation of the construction sites, prevention plans and work monitoring (coordination meetings).



THE MAIN STAGES INVOLVED IN THE CONSTRUCTION OF THE MASKS WORKSHOP

Construction work on the masks workshop started on 08 February 2020 and involved specific stages:

- **Creation and installation of an electrical network** to power machines, lighting, safety systems, etc.
- **Installation of a compressed air system.**
- **Installation of peripheral partitions** in sandwich panels, construction of an analysis laboratory...
- **Plumbing and drainage work** for aqueous waste.
- **Opening of storage crates** for mask machines and other equipment.
- **Installation of machines**, connection, detailed technical appraisal of all machines with restoration of the safety loops (all production lines were found to be compliant following the regulatory compliance check).



CERTIFICATION ISO 14001/OHSAS 18001... 100%

All of our sites and activities were audited during 2020, either in-person or remotely depending on the COVID-related local health restrictions.

The results speak for themselves:

- 0 major non-conformities
- 0 minor non-conformities
- Some observations
- Numerous strengths

This evaluation reflects the involvement of all our employees through reporting near-miss accidents, suggestions for improvement, the desire to keep moving forward and the development of our HSE culture.

The external auditors concluded that our management system had reached a good level of maturity with respect to our “field” activities and integration into our work practices.

2020, FROM OHSAS 18001 TO ISO 45001 FOR OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In accordance with the BS OHSAS 18001 Standard, our health and safety management system has migrated to a new international guideline, ISO 45001. The Group’s HSE policy was therefore reviewed accordingly and has been validated, explained, disseminated to and displayed to all of our staff.

The main things that are changing with ISO 45001:

1. Leadership and commitment with respect to health and safety.

2. Consultation and involvement of employees to develop a health and safety culture.

3. Understanding the needs and expectations of the stakeholders (employees, regulatory authorities, suppliers, customers, patients, etc.).

4. Integration of HSE-based selection and evaluation criteria for all or our external service providers (suppliers and external companies).

Even though these points are specific to ISO 45001, our existing HSE management system was already able to meet most of these requirements.

A training programme has been developed to explain the differences between OHSAS 18001 and ISO 45001 to our employees:

- **a specific awareness-raising session** for operational teams by team management,
- **an e-learning training module** with an assessment test.

Our teams of internal auditors have been trained on the ISO 45001 Standard so they have a good understanding of the changes to this guideline.



2020

ENVIRONMENT – INTEGRATION AND CONCRETE ACTIONS

2020 indicators



3.67
LTA frequency
rate



6.7%
Disabled workers
rate in France



238 TONNES/month
CO₂ rejection



1,643,746 KWATT/month
Electricity
consumption



835,136 KWATT PCS/month
Gas consumption



3,882 m³/month
Water consumption

- **In terms of regulatory aspects**, only the Mouvaux site, with the revival of the manufacture of FFP2 masks, was subject to declaration with the regulatory authorities under ICPE regulations.
- **As part of our project management**, changes and continuous improvement processes, we systematically address potential environmental impacts with a view to reducing or even eliminating them.

This has resulted in the following actions:

- **choice** of raw materials;
- ensuring our suppliers of raw materials meet environmental **requirements**;
- ensuring our carriers meet environmental **requirements**;
- **optimisation** of transport;
- **recycling** of packaging;
- **use** of more energy-efficient equipment and materials;
- **design** of machines with the lowest possible material wastage rate;
- **regulation** and recovery of energy on our utilities;
- **adaptation** of our equipment to needs...

Some examples:

- **changing** the burner with adjustment on the process steam boiler at the Tourcoing site so it could meet requirements;
- **development** and roll-out of LED lighting on all of our production sites;
- **reduction** of packaging on some of our finished products;
- **choice** of fully recyclable raw materials for the packaging of our medical devices;
- **recovery** of energy on our air compressors;
- **integration** of environmental aspects to be met for the design of new machines (e.g.: automatic filter production machine project)...

ACTING FOR THE COMMUNITY



In Poland

Our actions in Poland are true to our values of mutual support and philanthropy. They are a testament to our daily commitment to make Macopharma a great company to work for.

Charitable action: collection for the PatRyś foundation in Wrocław organised on 28.02.2020. **More than 9,000,000 PLN** were raised in Poland.

Installation of hives in February 2020: The honey is harvested and **the pots are sold by auction to participate in a noble cause** and help sick children. The pots of honey are also offered to participants at the auctions.

Sporting events: involvement in numerous races...

■ DFBG Łądek Zdrój	16.07.2020	21 km + 68 km 10 km Relay 5 x 5 km
■ Piławska Skala	23.08.2020	
■ Company Run	29.08.2020	
■ Business Run (with participation of teams internationally)	06.09.2020	Relay 5 x 4 km
■ Rely Teams – Business & Company Run	06/09/2020	
■ MTB Bike Marathon Jelenia Góra	12.09.2020	
■ Blood Donation Action	12.10.2020	
■ RUNMAGEDDON WROCŁAW	26/09/2020	
■ Machine 6 km/30 obstacles		
■ And many more!		

In France

■ **In 2019**, Macopharma started a collaboration with the company Beecity for **the installation and upkeep of beehives on the Macopharma site in Tourcoing**. Motivated by their Queen, these generous worker bees delighted in the fabulous warmth of last spring and summer and provided approximately 60 kg of honey. This harvest was potted and labelled with the Macopharma label at the end of October. **In total, 200 pots of 250g and 70 pots of 125g have been harvested.**

■ To increase the amount of honey collected, it was decided to add **2 additional hives** and develop the space around them into melliferous meadow.



In addition to benefiting the bees on our planet, there is another benefit as, thanks to the hives, the honey can be sold (at a low price) to our employees.

This action has been greatly appreciated and has generated a real sense of belonging and pride in everyone!

Isabelle BARTIER - Regulatory Affairs Manager

■ **The total amount collected will be doubled** so that, as soon as the current health situation allows, an event can be organised to hand over the donations to the French charity, "Secours populaire".

In Tunisia

■ Caps of hope:

Macopharma Tunisia is involved in **collecting plastic caps**. To further its commitment to the disability community, but also to help reduce carbon impacts, the collection has been launched.

All employees are encouraged to bring in their plastic caps to the Tunisian site for collection and donation.

The money raised will be used to buy wheelchairs for associations.



■ **Panier du Ramadan: an annual social event**

For the 4th consecutive year in 2020 and during the month of Ramadan, we are appealing to the generosity of our employees and their humanity.

- Every week **an amount is collected** and used to help a large number of families.
- Everyone is invited to **contribute once a week** up to 4 dinars.
- Spread over 4 weeks, this event raised 600 dinars, which were **doubled by Macopharma and offered to families for Ramadan.**



Challenge

MACOPHARMA WANTS TO RAPIDLY ATTAIN CARBON NEUTRAL GROWTH. TO THIS END, A SOCIAL RESPONSIBILITY PROJECT HAS BEEN DEVELOPED OVER THESE PAST THREE YEARS (ESR) TO INITIATE POSITIVE AND VISIBLE ACTIONS. OUR CHALLENGE WILL BE TO INCREASE THESE ACTIONS OVER THE COMING MONTHS AND YEARS.

#09

CHALLENGES

CHALLENGES



“

As we all know, **human activity** and **industrial development**, economic development and the development of society in general are having an increasing impact on our planet and our environment, and we are treating the limited and finite resources as if they were infinite by their very nature.

The book entitled “The Uninhabitable Earth” (by David Wallace-Wells) establishes that “it is worse, much worse, than you think. The slowness of climate change is a fairy tale...”. Even though the impact, trend and consequences of human activity on our planet remain the subject of debate and controversy, **the reality is that we are living on credit on resources that are rapidly running out**, and that we are undoubtedly contributing to an inexorable rise in global temperatures.

WHY?

ASPIRATION

Over these last 3 years, we have deployed a **Corporate Social Responsibility** project (CSR) – and have been able to generate a certain number of positive and visible actions.

In 2021 and the coming years, with the **Environmental Social Governance (ESG)** approach, we are going to take it to a higher level, by analysing and better understanding how our business model and operations contribute to the problem, and by developing fundamental actions to neutralise the carbon footprint that our business activity generates. I want Macopharma to be recognised as a reference in how to approach the subject and embed it in the overall strategy, how to use it as a basis for decision-making, and, ultimately, how to serve our customers.

To address this need, we are going to set up 3 teams to look into 3 facets of this improvement equation.

Carbon



Consumption



Communities

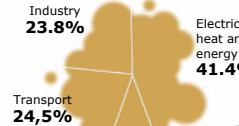


THE APPROACH

HOW WE GOT HERE

Carbon emissions have plummeted during the pandemic because of drops in traffic, power usage and industrial production. Historically, however, brief dips have had little lasting effect on climate change.

Where fossil-fuel CO₂ comes from



1918 FLU
-15%
1917-19
The influenza pandemic hit certain sectors, like transportation and coal mining, particularly hard

GREAT DEPRESSION
-26%
1929-32
In the three years following the stock-market crash, industrial production, in the U.S., fell by half

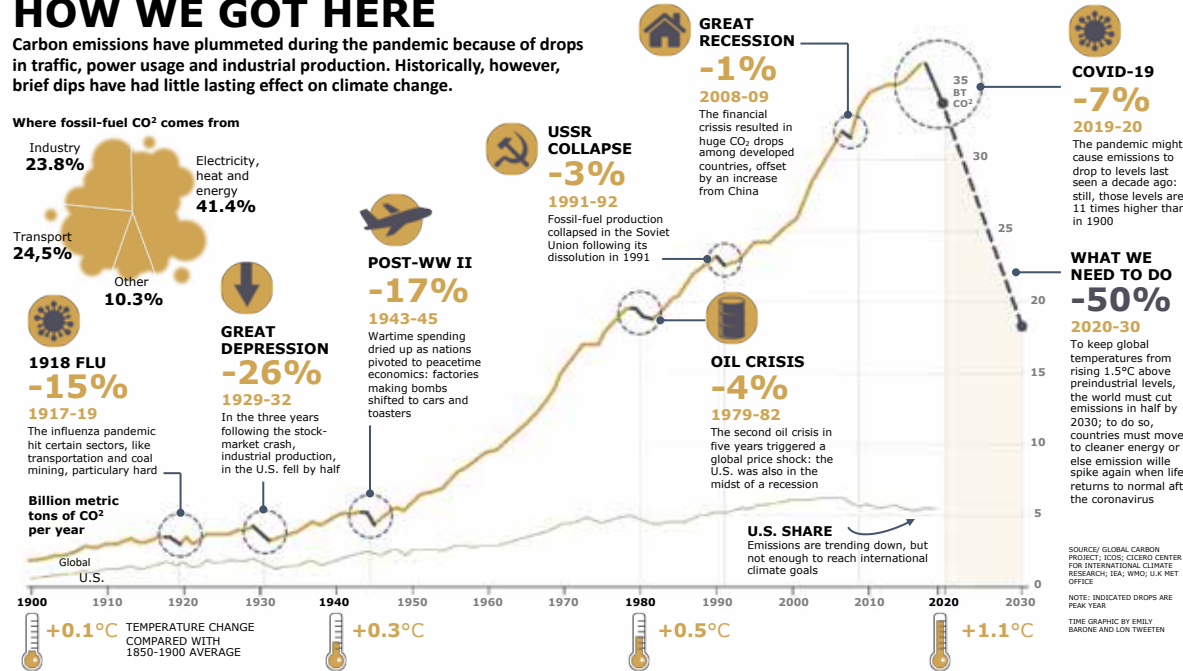
POST-WW II
-17%
1943-45
Wartime spending dried up as nations pivoted to peacetime economics: factories making bombs shifted to cars and toasters

GREAT RECESSION
-1%
2008-09
The financial crisis resulted in huge CO₂ drops among developed countries, offset by an increase from China

USSR COLLAPSE
-3%
1991-92
Fossil-fuel production collapsed in the Soviet Union following its dissolution in 1991

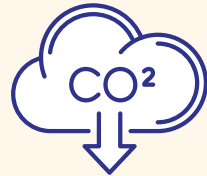
OIL CRISIS
-4%
1979-82
The second oil crisis in five years triggered a global price shock: the U.S. was also in the midst of a recession

COVID-19
-7%
2019-20
The pandemic might cause emissions to drop to levels last seen a decade ago; still, those levels are 11 times higher than in 1900



We must not only **reduce** but go as far as to **reverse the trend** over the long term that is leading us all to disaster.

We all have a role to play, Governments, associations, the general public... Each and every one of us, but also companies play an important role in the equation. **That is where Macopharma must do its part to arrive at carbon neutral growth**, while continuing to supply our products which are essential to public health and to the patients who receive them.



”



We
support
life

Thank you to everyone who has helped produce this Report!

Numerous Macopharma employees contributed to the creation of this version. We would like to thank each and every one of them for their valuable contribution to this 2020 version.



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