

SUSTAINABLE PURCHASING GUIDELINES

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2. Purpose

2.1 Corporate Social Responsibility (CSR) at bioMérieux

We ALL act for a positive impact. Our CSR approach is based on the individual responsibility of everyone, at all levels of the Company: In all functions, each employee can integrate the CSR dimension and contribute to bioMérieux's overall strategy. This approach is fully in line with our BELONG.DARE.IMPACT mindset.

bioMérieux committed to the fight against infectious diseases worldwide, bioMérieux has always acted with a long-term vision, in a responsible and sustainable manner, with respect to our employees, external stakeholders, and the community in general. Formalizing a new CSR ambition, which is an integral part of our strategic roadmap, allows us to go even further today and, together, to strengthen our positive impact on the world around us.

Corporate Social Responsibility (CSR) has been in the genes of bioMérieux since its creation. Given the growing expectations of society on these subjects, a new step was taken in 2020 with the formalization of our ambition, and the definition of the main challenges on which we are committed to improving our positive impact.

More information about bioMérieux Global CSR strategy under our website :

[2022: a fruitful year of CSR achievements | Pioneering Diagnostics \(biomerieux.com\)](#)

2.2 CSR within Global Purchasing

The purpose of those guidelines is to describe how Purchasing ensures that bioMérieux's suppliers comply with its sustainable vision & expectations.

In order to impact bioMérieux's CSR ambition, we are strengthening the assessment of our suppliers from the identification phase until the selection. The CSR criteria integrated into this approach allow monitoring the performance and the social and environmental commitments of our suppliers. The involvement with us of these strategic partners has become a major criterion of their selection.”

Note : All internal stakeholders involved in supplier relationships - not only Global Purchasing team - are expected to follow these sustainable purchasing guidelines (see section Roles & Responsibilities - [Other internal stakeholders](#)).

3. Scope and scale of supplier CSR assessment

3.1 Suppliers to be assessed

Any supplier, in the Global Purchasing scope or not, may be asked to be assessed and challenged on CSR criteria at all steps of its commercial relationship with bioMérieux.

Strategic & Key suppliers that have been identified as MAJOR or HIGH RISK in the group risk mapping (mapping based on the following 3 risks: country, industry and spend exposure) will be the priority.

Tier 1 suppliers and on occasion tier 2 and lower tiers may be asked to be assessed

A supplier CSR assessment is ideally provided for the legal local entity with which bioMérieux is working (i.e. : a US branch of a group). However, a group scorecard can be accepted by default, in case the supplier is not willing to assess all legal entities. In multinational companies, this can lead to obtain both the group scorecard, as well as local entities scorecards.

3.2 Four dimensions of CSR assessment

Environmental, Social and Governance (ESG) are the first three dimensions - or themes - used to evaluate how sustainable our suppliers are.

The fourth theme reflects on how our suppliers manage their own purchasing towards sustainability.

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4. How CSR plays a part in the Purchasing Process

Purchasing Process could be subdivided in three sub-processes or streams:

- Strategic Sourcing
- Offer selection
- Supplier management

CSR plays a part in each step with tools for buyers to integrate CSR in their processes.

4.1 How to integrate CSR in “Strategic Sourcing” stream

CSR has to be included in all sourcing strategy presented to the Sourcing Decision Committee. No sourcing strategy will be considered if not integrating CSR. Sourcing Decision Committee is a purchasing council (constituted by Global Purchasing Senior Vice president and all domains directors) which evaluate sourcing strategy with following agenda : Introduction to Category, Market analysis (synthesis), Opportunities, CSR strategy, Recommendation.

A CSR assessment is expected for any suppliers concerned by a Request For Information (RFI). Check in Ecovadis (outside our Network and in RHI network) if scorecard is available. If so, ask for sharing. If not, ask for assessment.

For suppliers with a score under expectations, buyer and category manager have to consider the risk vs. opportunity to integrate them in bioMérieux panel and to document and justify it. In any case action plan has to be integrated systematically in discussions and/or contract.

4.2 How to integrate CSR in “Supplier’s offer Selection” stream

A CSR assessment is expected for any suppliers concerned by a Request For Quotation / Proposal (RFQ / RFP).

Any supplier refusing to provide CSR information or showing no interest at all in implementing CSR policies & actions is not aligned with bioMérieux’s expectations and policy (cf. doc. [Business Principles for Third parties](#))

For suppliers already in bioMérieux Panel :

Before asking for a RFQ / RFP, check if your supplier has a valid CSR assessment (Ecovadis or Sustainable Purchasing Survey). If not, ask for a (re)assessment. For suppliers that doesn’t want to be assessed, don’t consider to integrate them in RFQ for new product / services.

For suppliers that are not in bioMérieux Panel :

CSR status should be aligned with expectations of “strategic sourcing” . If not, no quotation is expected.

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To help buyers in their analysis and finalization of the quotation, a simplified excel CO2 tool has been developed to compare carbon impact of different suppliers. This tool based on Monetary Emission Factors allow to compare two different offers of the same product coming from different suppliers.

To analyze and compare offers, buyer can also use a Decision Matrix integrating all criteria. CSR criteria has to be included when comparing different offers. It is recommended that CSR weight 20% of the final decision. An alignment meeting can be organized with all stakeholders for final choice.

CSR topics can also be integrated in contracts signed with suppliers. As a minimum, [Charter for responsible purchasing](#) and [Third parties business Principles](#) has to be included in contracts. But other topics considering 4 pillars can also be added with specific targets. Each supplier selected after RFQ has to have signed “bioMérieux Business Principles (for external third parties)” document.

4.3 How to integrate CSR in “Supplier Management” stream

CSR management has to be part of all relationships between bioMérieux and its suppliers.

CSR evaluation is included in Supplier Management Performance document (SPM) reviewed during Business Reviews. Supplier is evaluated with 6 criterions including CSR. It is recommended that CSR weighs 20% in the evaluation.

Business Reviews must integrate CSR topics as CSR action plans following SPS or Ecovadis assessment, Waste reduction projects, Carbon emission reductions review, sustainable purchasing (with their suppliers).

Supplier SBTi engagement needs to be addressed since bioMérieux' approved target for Scope 3 is to : “Engage our suppliers weighting 67% of our emissions coming from Purchased Goods & Services, Fuel & Energy, and Transportation & Distribution to have SBTi targets by 2026”.

Buyers may ask for corrective actions (cf. [Corrective Action Plan \(CAP\)](#)), at any time, concerning CSR assessment. If a supplier is not assessed on Ecovadis, but its performance is tracked via the SPM scorecard, then CSR corrective actions may be tracked on the SPM scorecard. In this case, it is recommended to add as an action that the supplier is expected to be assessed on Ecovadis within a set time limit.

A localization tool has been created to identify products that could/should be relocated.

Localization Tool is used in cooperation with supply chain and production sites. It could also calculate the distance between manufacturing sites and suppliers considering the added value.

5. Methods used for supplier CSR assessment and follow-up

bioMérieux has decided to assess its suppliers on their CSR maturity primarily via the online [Ecovadis platform](#) which is a service provider of CSR evaluation done remotely through an audit of supplier documents. Before connecting to Ecovadis platform ask your Global Purchasing CSR manager for login details and learning information. ECOVADIS evaluates companies according to 4 themes : Environment, Ethic in business, Labor and Human Rights, Sustainable purchasing.

CSR assessment of suppliers and improvement action plans are the main elements of bioMérieux Sustainable Purchasing Strategy. The supplier should be aware that obtaining a global CSR assessment is a priority for bioMérieux, and specifically an Ecovadis rating. An agreement can be made with the supplier that an Ecovadis rating will be obtained within some months, either via a clause in a contract, or a discussion during a Business Review.

CSR assessments from other rating agencies may also be taken into consideration in a first step.

In the case a supplier is not ready to be assessed by Ecovadis for the following reasons:

- the supplier is already assessed by another CSR rating agency
- the supplier is planning to be audited by Ecovadis at a later point, for budget/resource reasons

Then, a SPS (Sustainable Purchasing Survey) file has to be completed.

Buyers lead analysis of assessment and action plan but may ask for help from their domain champion or the Purchasing CSR Manager.

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5.1 Two assessment methods

5.1.1 **EcoVadis :**

Each pillar (Environment, Human & Labor Rights, Ethics, Sustainable Purchasing) will be investigated on policies / actions / results.

Suppliers reply to a questionnaire developed by Ecovadis, adapted to the company size and industry classification. Documents are to be attached to each question, as evidence of the supplier's assumptions. This questionnaire is based on leading standards, such as GRI, UNGC, ISO 26000, ISO 20400...

This questionnaire remains confidential between the supplier & Ecovadis. The supplier will then decide whether it will share its scorecard with bioMérieux and/or with other customers.

Once the questionnaire is completed, a global rating will be granted by Ecovadis on a scale of 100. This global rating is calculated on the basis of each pillar rating, weighed according to industry classification.

It is to be noted that bioMérieux has no influence on the Ecovadis rating, as Ecovadis is an independent rating company.

5.1.2 **Sustainable Purchasing Survey (SPS) :**

SPS has been developed internally by bioMérieux purchasing, to provide a CSR assessment using a simplified format.

SPS includes only 12 questions based on the four pillars of CSR. It is used and managed by bioMérieux Purchasing. Evidence to illustrate answers are asked and mandatory to consider answers.

Each buyer has to analyze SPS and decide on the action plan & the final decision related to it with supplier. It is recommended in any case to invite the supplier through the Ecovadis platform, to keep track of the invitation and the refusal of the supplier.

5.2 bioMérieux score expectations

- using ECOVADIS methodology, we expect our suppliers to be in the top 25% = Silver Medal (57 or above for scorecards published from 1 January 2022, 59 or above for scorecards published from 1 January 2023)

Score EV	CSR maturity
0 to 24	Insufficient / Unsatisfactory
25 to 56	Partial / Below expectations
57 to 66	Moderate / Meets expectations
67 to 100	Outstanding / Best in Class

- SPS also provides the CSR maturity of the supplier, we expect an SPS score above 12

Score SPS v2	CSR maturity
0 to 6	Insufficient / Unsatisfactory
7 to 11	Partial / Below expectations
12 to 20	Moderate / Meets expectations
Not available via SPS	Outstanding / Best in Class

Therefore, bioMérieux considers that suppliers obtaining a EV global score above 57/100 or an SPS score above 12/20 have an acceptable level of CSR maturity and meet our expectations.

Outstanding / Best In Class is only awarded to those with an Ecovadis evaluation.

5.3 Supplier corrective action plan (CAP)

- With ECOVADIS :

All suppliers that do not meet the bioMérieux's score expectations are considered as NON SATISFACTORY (25 < Score < 56) or NON-COMPLIANT (score < 25). As a consequence, they will be challenged by buyers with requests for corrective actions. That will help them improve their score over the time, as described in the table below :

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GLOBAL SCORE	CSR STATUS	ACTION PLAN
56-100	Compliant	<ul style="list-style-type: none"> Re-assessment within 2 years 1 corrective action minimum requested (environment as a priority) within 2 years
25-55	Partially-compliant Non-Satisfactory	<ul style="list-style-type: none"> Corrective Actions requested within 1 year Re-assessment within 1 year if score less than 47 Re-assessment within 2 years if score \geq 47
0-24	Non-compliant	<ul style="list-style-type: none"> Corrective Action Plan requested within 6 months Re-assessment within 1 year Purchasing Manager to decide whether supplier is to be included / maintained in panel or not

All corrective actions have to be discussed with suppliers either during the Business Review or a CSR dedicated meeting. Corrective actions are submitted & tracked via a dedicated menu on the Ecovadis platform.

- With SPS :

GLOBAL SCORE	CSR STATUS	ACTION PLAN
12 to 20	Compliant	<ul style="list-style-type: none"> Re-assessment within 2 years 1 corrective action minimum requested (environment as a priority) within 2 years
7 to 11	Partially-compliant Non-Satisfactory	<ul style="list-style-type: none"> Corrective Actions requested within 1 year Re-assessment within 1 year
0 to 6	Non-compliant	<ul style="list-style-type: none"> Corrective Action Plan requested within 6 months Re-assessment within 1 year Purchasing Manager to decide whether supplier is to be included / maintained in panel or not

All corrective actions have to be discussed with suppliers either during the Business Review or a CSR dedicated meeting. Corrective actions are submitted & tracked by buyer.

6. Reference documents

In order to monitor bioMérieux's CSR criteria expectations towards its suppliers, the following documents are available:

- bioMérieux Global Code of Conduct (for employees)
- bioMérieux Business Principles (for external third parties)
- bioMérieux Charter for responsible supplier relations (letter from bioMérieux CEO & CPO to suppliers)
- Sustainable Purchasing Survey (SPS)
- Contracts including a clause "Ethics & compliance"
- ECOVADIS User guides
- bioMérieux website page <https://www.biomerieux.com/en/sustainable-and-socially-inclusive-purchasing>
- Business Review Template, including CSR criteria

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7. Actors and governance

7.1 Roles & responsibilities

Global Purchasing Performance and Quality is the owner of the CSR guidelines.

7.1.1 **Quality & Performance Director**

The Quality & Performance Global Purchasing Director's responsibility is, among others, to:

- Set and issue the CSR Roadmap & action plan, in line with Corporate CSR Roadmap
- define CSR KPIs for Purchasing Governance in accordance with the Senior VP, Global Purchasing
- define annual CSR objectives by domain in accordance with domain directors
- participate on the Global CSR Steering Committee
- Provide support and input to develop purchasing team members on CSR (training, benchmark,...)

7.1.2 **CSR Manager**

Is a Sustainable Purchasing expert whose responsibility is to animate the Sustainable Purchasing network (internal & external) & implement the Supplier CSR program. Among other tasks, his/her role is to:

- onboard newly arrived buyers on CSR topics
- set up & coordinate the Global Purchasing Supplier CSR Program, in line with the CSR Purchasing Roadmap
- propose & implement the CSR action plan
- propose Sustainable Purchasing annual objectives to each Purchasing Domain, as well as indicators / KPIs
- issue monthly CSR dashboard
- be the single point of contact between Ecovadis and Global Purchasing. Regular meetings take place to manage relationship with Ecovadis, to solve technical issues and to suggest processes to engage suppliers and help them improve. RHI (Responsible Health Initiative) is one of these processes : a group of companies from the Health sector share best practices and initiate actions to increase suppliers' CSR engagement.
- Provide tools and inputs to CSR Champions and buyers to develop CSR awareness (training, benchmark,...)
- contribute to annual CSR surveys (i.e. DJSI, Ecovadis, Gaia...) for bioMérieux assessment, managed by Corporate CSR
- contribute to bioMérieux extra financial annual report (see section [Universal Registration Document, URD](#))
- benchmark & analyze market trends
- participate in external initiatives, working groups and alike
- participate in Business Reviews or meetings with suppliers whenever needed
- be the purchasing contact on CSR for other bioMérieux functions (HSE, ...)

7.1.3 **Domain Directors**

The CSR Purchasing strategy is built & validated at the Purchasing Council level.

Domain directors :

- Drive CSR Purchasing strategy execution & related plans within their Domain.
- Ensure CSR orientation are in place and respected, in line with Company and Global Purchasing strategy.
- Each Domain Director (Operations Category Management, Developments Partnerships and Innovation, Indirect) appoints one - or several - CSR Champion, to be the Sustainable Purchasing Referent for his/her assigned domain or sub-domain.
- Domain Director empower their CSR champions to carry their mission :
 - o participate in CSR champions meeting
 - o in between CSR meetings to follow-up on their actions
 - o in domain meetings to share CSR information and action plan

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7.1.4 CSR Champions (Purchasing Domain representatives)

Champions act as CSR ambassadors and work in close collaboration with the Global Purchasing Performance CSR Manager and support buyers of their respective teams in the application and continuous improvement of the present guidelines. Their missions, among others are:

- To promote the Supplier CSR Program
- Implement action plan from Monthly Champions Meeting. Share and support CSR information (ex : training, communication, KPI) within their teams
- Escalate to CSR manager issues, opportunities, and propose solutions in order to identify continuous improvement initiatives and implement them.
- Provide inputs from their respective domains to define CSR objectives :

Geographical key-contacts may also be appointed, in relation with local specific stakes (ex : China, US, Latin America, Salt-Lake-City, ...)

7.1.5 Purchasing Managers, Category Managers, Buyers

They implement CSR assessment policy within their scope of responsibilities. Their main actions include among others (non-exhaustive list):

- Convince & embark suppliers into CSR assessment program
- Include CSR topics in Business Reviews and/or specific dedicated CSR meetings
- Ask suppliers for proactive or corrective actions when identified / needed (ex : SBTi commitment)
- More generally, assist suppliers in developing their CSR maturity

A CSR assessment aims at helping buyers having a comprehensive knowledge of the suppliers they are contracting with.

7.1.6 Other stakeholders

a) Health, Safety and Environment department (HSE)

The HSE department plays a role in the supplier selection and contract management for some product/services categories, and may hence bring additional support to buyers, when assessing suppliers and analyzing specific CSR criteria.

For instance, buyers may solicit the HSE Department for assistance in the interpretation of the Sustainable Purchasing Survey (SPS) file.

Site HSE audits may require assistance from purchasing CSR manager

b) Other internal stakeholders

Any person at bioMérieux involved in the supplier selection and contract management should take into account the principles described in these guidelines.

7.2 Governance

7.2.1 CSR champions meetings

CSR Champions & CSR Manager meet about once a month to :

- review actions' progress from previous meeting
- review KPI
- propose improvement ideas and address issues, determine new actions,.

7.2.2 Global CSR Steering Committee

A CSR steering committee, representing all bioMérieux functions, is gathering every quarter to:

- Detail the short-, medium- and long-term objectives
- Implement action plans to achieve these objectives
- Define indicators to measure the effectiveness of these action plans

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- Report on progress

In a spirit of collaboration, the various functions rely on their network of local and global experts to deploy action plans and measure their results.

8. Information – bioMérieux external Reporting on Sustainable Purchasing

8.1 bioMérieux ESG ratings

bioMérieux is also rated by several rating agencies every year (such as Ecovadis, Gaïa, CDP, Corporate Knights, VigeoEris, S&P Global Corporate Sustainability Assessment (DJSI), Global Challenges Index...) & communicates its ratings in the Universal Registration Document (URD) (see section hereafter) and on its website.

bioMérieux also completes CSR questionnaires sent by its customers.

8.2 Universal Registration Document (URD)

For several years, bioMérieux has published environmental, social & societal performance indicators in its annual report. In 2018, a new EU Directive (2014/95/UE)* made it mandatory for bioMérieux to publish an extra-financial performance statement. This statement is included in the URD and explains the policies & actions implemented by the Company, as well as KPIs to monitor its risks & performance. This statement includes a dedicated section describing the policies, actions & results/KPIs on Sustainable Purchasing.

The European extra-financial requirements are under discussion and are likely to evolve in the coming years. European suppliers may also be concerned by future legal requirements. Suppliers going through an ESG assessment today will be better prepared for this evolution.

* this EU directive (2014/95/UE) is applicable for companies above 500 employees

9. Approval

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