

3 A CORPORATE CITIZEN SERVING PUBLIC HEALTH

bioMérieux is a Corporate citizen, through its historic and pioneering commitment to the fight against infectious diseases. bioMérieux considers serving global public health to be an important responsibility, one that the Company takes very seriously throughout its various fields of expertise, in particular infectious diseases. The Company's history reflects a long-standing commitment to Corporate

Social and Environmental Responsibility, as illustrated by its signing up to the Global Compact. Indeed, the humanist values held by the bioMérieux family form the bedrock of a responsible Corporate culture translated into bioMérieux's international strategy.

The Company and its shareholder, Institut Mérieux, have also made philanthropy and giving back to society its duty.



"Our commitment to philanthropy goes to the heart of the public health mission of our Institute. Infectious diseases can only be combated on a global scale as bacteria and viruses know no borders."

Alain Mérieux, Chairman of Institut Mérieux



"bioMérieux's entrepreneurial adventure has its roots in a strong family commitment to serving public health. Faithful to our pioneering spirit, our ambition is to remain a major player in the diagnosis of infectious diseases. Through our scientific multidisciplinary approach, with no geographical borders, and driven by the commitment of our staff worldwide, we will maintain this course with a long-term vision."

Alexandre Mérieux, Chairman and Chief Executive Officer of bioMérieux

bioMérieux works with many international organisations (Fleming Fund, Bill Clinton Foundation, United Nations, Medecins Sans Frontières, etc.) as part of public health programs for the financing of global health and the development of *in vitro* diagnostic tests. For example, late 2019, bioMérieux has been selected as a supplier in a tender process by the Fleming Fund, a £265 million UK aid investment to tackle antimicrobial resistance in low- and middle-income countries around the world. bioMérieux will be locally active in 18 out of the 24 countries taking part in the programme. In each of these countries, in Africa and Asia Pacific, over the next three years, the Company will equip one reference clinical laboratory and one veterinary laboratory with the VITEK® MS and VITEK® 2 systems for pathogen identification and susceptibility testing, and with MYLA® software for data processing.

3.1 A business model based on economic development and a social commitment in support of public health and future generations

The various parts of the business model are set out in the chapters of this Universal Registration Document according to the concordance table below and bioMérieux's value creation chart, presented briefly on pages 8 and 9.

Organisation and structure	Organisational structures	Section 1.2
	Governance	Section 4.2
Markets in which it operates	The <i>in vitro</i> diagnostic industry	Section 1.3.1
	Areas of expertise	Section 1.3.2.1
Main activities	Research & development	Section 1.6.1
	Production	Section 1.7.2
	Distribution network	Section 1.3.2.4
Market position	Competition	Section 1.3.2.2
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Products and services		Section 1.3.3
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Objectives and strategies	Market trends and growth prospects	Section 1.3.1.4
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	bioMérieux trends and objectives	Section 5.5



3.2 A recognised approach

3.2.1 A policy of commitment, based on internationally-recognised principles

bioMérieux has committed to upholding a number of laws and international conventions, including the Universal Declaration on Human Rights of 1948 and the United Nations' Guiding Principles on Business and Human Rights of 1911. Since 2003, bioMérieux has been a signatory to the United Nations Global Pact. The Global Compact is a voluntary framework for commitment by which companies, associations and non-governmental organisations are invited to comply with ten universally accepted principles affecting human rights, labour standards, the environment, and the fight against corruption.

Through its activities, bioMérieux supports a number of the United Nations's Sustainable Development Goals (SDGs), the aim of which is to provide a process for achieving a better and more sustainable future for all, and particularly Goal 3.3, to end certain infectious diseases by 2030. As such, the Company's progress toward these objectives is difficult to quantify, since its contribution is only indirect, through the design, manufacturing, and marketing of tests to diagnose transmissible infectious diseases.








Moreover, bioMérieux strives to adhere to the fundamental conventions of the International Labour Organisation (ban on child and forced labour, freedom of association), the promotion of diversity, women's rights, the right of peoples to freely dispose of their natural resources, and the right to health.

3.2.2 Performance recognised by non-financial rating agencies

For a number of years, non-financial rating agencies have been evaluating the CSR performance of bioMérieux and have included it in their SRI (socially-responsible investing) indicators.

In particular, bioMérieux has been evaluated by the following agencies: ISS ESG, FTSE Russell (FTSE4Good Index), Vigeo Eiris, CDP (Carbon Disclosure Project), Forum Ethibel (Ethibel Sustainability Index (ESI) Excellence Europe), EcoVadis and Corporate Knights Global 100 Index.

The most recent scores and certifications obtained are:

Certification	Date	bioMérieux performance
	Feb 2020	Inclusion in the Global Challenges index, covering companies that make pioneering contributions to overcoming global challenges. The index was initiated by Boersen AG, operating the stock exchange in Hanover, Germany, in collaboration with ISS ESG. It is made up of 50 international companies that meet the criteria, from a panel of approximately 4,200 enterprises.
	Jan 2020	Score D
	Jan 2020	Included in the FTSE4Good Index, reserved for companies with robust environmental, social and governance risk management practices
	Jan 2020	Score 72 (Healthcare sector average 46)
	Nov 2019	Score 72/100, an improvement on previous years Ranked in the top 1% of highest-performing companies
Corporate Knights Global 100	Nov 2019	Ranked 26th in Corporate Knight's Global 100 (companies with more than \$1 million in revenue)
	Oct 2019	Score C+ Ranked in the top decile for the Health Care Equipment & Supplies sector
	Sep 2019	Ranked No. 1 in the Health Care Equipment & Services sector. Included in the Ethibel Index, dedicated to European companies with the best CSR performance

3.2.3 Governance that supports CSR

Beyond its mission to help improve public health worldwide, bioMérieux is a committed company that is concerned about its environment and societal impact. CSR is a major and growing concern for all of the Company's stakeholders.

In 2018, bioMérieux set up a quarterly CSR Committee made up of a number of members of the Executive Committee. Its remit is to oversee issues around Corporate Social Responsibility in order to better anticipate the opportunities, challenges and associated risks. It holds discussions in coordination with the Executive Committee,

makes recommendations on bioMérieux's achievements in this area, and evaluates the Company's progress.

Wishing to raise the profile of its CSR commitment as well as strengthen its initiatives, bioMérieux appointed a CSR director in 2019 to coordinate and manage CSR performance.

bioMérieux has been committed to CSR initiatives for a number of years and has set itself the ambition of producing a new road map in 2020, in light of the materiality analysis begun in 2019.

Finally, the Audit Committee and Board of Directors are kept informed of the CSR policy and associated risks, at least once yearly.

3.2.4 Summary table of risks and opportunities

In order to identify its non-financial risks and opportunities and respond to non-financial performance reporting requirements, bioMérieux has drawn on the Group's risk-mapping methodology.

A specific exercise was carried out with internal stakeholders, selected for their range of expertise, geographical coverage, and exposure to external stakeholders. The process was presented to the Central Works Council, certain members of which helped to identify the risks and opportunities.

The Risk Department oversaw the identification of risks and opportunities, supported by a Steering Committee made up of the CSR, Legal, and Investor Relations Departments.

Risks and opportunities, policies implemented, and indicators were reviewed and approved at workshops with the relevant departments, particularly Purchasing, Human Resources, Health, Safety and Environment, Ethics and Compliance, Quality, and Commercial Performance.

Risks and opportunities were assessed for their potential impact and likelihood of occurrence using dedicated risk scales.

The non-financial risk and opportunity map was presented to the CSR Committee and the Audit Committee.

The Company decided to draw on the SASB guidelines to structure its reporting on and presentation of non-financial risks and opportunities.

Although the Company does not consider tax evasion to be a major non-financial risk, this is detailed under section 3.4.4.5, in accordance with the French law on combating fraud – law n° 2018-898 – published on October 24, 2018.

Finally, Chapter 3 reproduces the information required for the non-financial performance statement (NFPS).

	Issues	Description	Policies implemented	Indicators	Paragraphs and page
Environment	Life-cycle of products	Ability to manage the life-cycle of products by limiting their environmental impact, in compliance with international standards	Deploy systematic analyses of the life-cycles of our products Establish the relevant eco-design strategies	<ul style="list-style-type: none"> Number of life-cycle analyses performed on our new products 	§ 3.7.2 p. 99
	Impact of climate change on performance and environmental compliance*	Limit the impact of our operations on the environment and climate change Consider the effects of climate change in our activities	Currently defining a new plan setting targets for reducing the consumption of water and energy as well as carbon emissions and waste Prioritise renewable energy sources Develop sea freight Certify production sites Roll out a site energy audit program Structure regulatory monitoring Provide digital tools aimed at reducing the amount of travel by employees	<ul style="list-style-type: none"> Number of ISO 14001 certified sites Greenhouse gas emissions Total volume of waste generated, of which hazardous waste Consumption of public water and groundwater Wastewater discharged Total energy consumption and percentage of energy consumption from renewable sources 	§ 3.7.3 p. 99
Share capital	Data protection*	Process and protect the personal data of employees, third parties and patients	Implement the GDPR compliance plan Secure buy-in for our policies from suppliers Conduct impact assessments on the Company's processes Introduce a procedure for managing data breaches	<ul style="list-style-type: none"> Number of impact assessments conducted Number of applications recorded in the GDPR risk register 	§ 3.3.3 p. 78
	Product quality and safety*	Produce and deliver high-quality products that comply with local/international standards and meet customer expectations	Maintain a quality management system and customer service Train and manage an internal network of quality auditors Certify production sites	<ul style="list-style-type: none"> Number of ISO 9001 and ISO 13485 certified sites 	§ 3.3.2 p. 77



	Issues	Description	Policies implemented	Indicators	Paragraphs and page
Human capital	Managing skills and workforce*	Anticipate workforce and skills required to respond to the Company's strategy and market trends	Strengthen the skills and workforce planning process Implement personal training and development plans Roll out the training program in partnership with Mérieux Université	<ul style="list-style-type: none"> Number of training hours per employee 	§ 3.5.2 p. 87
	Attract and retain talent*	Attract and retain talent	Roll out the global and regional HR roadmap Strengthen the employer brand Develop internal mobility plans Develop succession plans Step up employee share ownership Develop employee engagement	<ul style="list-style-type: none"> Overall voluntary turnover rate for employees with less than three years of service Number of employees who were promoted during the year Absenteeism 	§ 3.5.3 p. 88
	Diversity and inclusion*	Develop an inclusive culture and promoting diversity within the Company	Implement the HR vision Develop and implement collective agreements Roll out non-discrimination policies Promote diversity and raise employee awareness	<ul style="list-style-type: none"> Gender breakdown of managers (Women/Men) Rate of internal promotion (Women/Men) Breakdown of employees with disabilities 	§ 3.5.4 p. 92
	Employee health and safety*	Ensure safe working conditions for employees and external providers	Continue to implement the Occupational Health and Safety policy management system	<ul style="list-style-type: none"> Frequency of lost-time occupational accidents Occupational accident severity rate Number of occupational diseases 	§ 3.5.5 p. 94
Business model & innovation	Distributors management*	Manage the network of distributors in accordance with the Company's requirements and expectations	Strengthen the process for selecting and approving distributors Streamline and standardise distribution contracts Standardise sales policy Continue to train distributors in bioMérieux practices Regularly review the performance of distributors		§ 3.6.2 p. 96
	Sustainable and responsible purchasing*	Develop and maintain sustainable and socially-responsible purchasing practices	Promote and roll out the Responsible Purchasing Charter to suppliers Incorporate CSR criteria at each stage of the supplier relationship (qualification, selection, Business Reviews, etc.) and support their development Secure critical supply chains	<ul style="list-style-type: none"> Number of suppliers evaluated by an external ratings agency against CSR criteria and % of expenditure covered 	§ 3.6.1 p. 96
Governance	Regulatory compliance*	Safeguard the legal and regulatory compliance of activities	Organise structured monitoring and appropriate governance Capitalise on the quality system in place and the networks of internal experts	<ul style="list-style-type: none"> Audit and inspection findings 	§ 3.4.3 p. 81
	Public health mission	Carry out the Company's public health mission	Help protect the health of patients and consumers facing infectious diseases		§ 3.3.1 p. 75
	Business ethics*	Prevent breaches of business ethics	Strengthen the governance in place Promote the whistle-blowing procedure and raise awareness among employees and third parties Roll out the Company's anti-corruption policies and procedures Continue the employee and distributor training program	<ul style="list-style-type: none"> Percentage of online training courses taken: <ul style="list-style-type: none"> Preventing corruption Third-party management Managing conflicts of interest 	§ 3.4.4 p. 81

* These topics cover the main risks as assessed in the Company's risk-mapping.

3.3 Help protect patient and consumer health against infectious diseases

3.3.1 Diagnostics create value for healthcare systems

bioMérieux's mission is to help to protect patient and consumer health against infectious diseases and, as such, responding to a number of major public health challenges (microbial resistance, sepsis, and emerging pathogens).

3.3.1.1 Combat antimicrobial resistance

Antimicrobial resistance is a natural phenomenon. Under their action, most sensitive bacteria are destroyed. But some can survive and adapt, acquiring "resistance genes" either by mutation of existing genes or by the acquisition of new genes.

In all viral infections (colds, influenza, migraines or other respiratory infections, etc.), taking antibiotics is not only useless, but also harmful, because it increases the resistance of bacteria. The misuse and overuse of antibiotics, in both humans and animals, has led to the development of resistant bacterial strains, making these therapies ineffective.

Consequently, the treatment of a growing number of infections such as pneumonia, tuberculosis, sepsis and gonorrhoea has become difficult, even impossible. Other diseases such as tuberculosis are reappearing.

New antimicrobials are being developed, but none of them is now effective against the most resistant bacteria.

The risk of having to face super-resistant bacteria without any recourse is a reality today. Antimicrobial resistance is considered by the World Health Organization as one of the biggest threats to world health. The projections are alarming, with an impact of more than 10 million annual deaths in 2050⁽¹⁾. That is approximately one death every three seconds. The social and economic costs are also significant. It is estimated that this phenomenon will generate a 2-3% decline in world GDP by 2050.

In vitro diagnosis has a crucial role in the fight against this threat. This mission can take four forms:

Prevention of resistance: Diagnostic tests, used to determine whether an infection is bacterial or viral, have a major function by limiting the over-prescription of antibiotics. These tests will make it possible to prescribe antibiotics only to patients who truly need them.

Identification of resistance: Initiating an appropriate antibiotic therapy as early as possible can have a decisive impact on the patient's survival.

Resistance monitoring: Effective monitoring of resistance profiles at all levels (national, local, hospital environments) is essential for setting up programs to fight infections. This knowledge of the bacterial environment is useful for better management of the emergence of resistant bacteria.

Resistance screening: Screening for multi-resistant bacteria in asymptomatic patients who are most at risk of "carrying" will lay the groundwork for the necessary preventive measures, including the enhancement of hygienic measures, isolation of carrier patients, and the limitation of propagation by these pathogens.

Since 2016, bioMérieux has hosted a website dedicated to microbial resistance, whose main objective is to educate and raise awareness among the general public about this major public health challenge and to highlight the key role of diagnosis in combating this threat.

www.amr.biomerieux.com

A world leader in microbiology and a pioneer in tests for detecting resistance, bioMérieux is a leading player in this fight. The Company's products cover the full range of needs in public health. An example is the use of the VIDAS® test for procalcitonine dosing obtained FDA approval in 2017.

bioMérieux's contribution is also tangible through:

Its participation in international summit meetings and forums

In September 2016, the Group, represented by Mark Miller, Chief Medical Officer at bioMérieux, stressed the importance of diagnostic tests in the fight against antibiotic resistance at a satellite session of the United Nations General Assembly.

In 2017, bioMérieux was signatory to the statement on antimicrobial resistance at the Economic Forum in Davos (Switzerland).

The World HAI/Resistance Forum, organised by bioMérieux in 2013, led to the first global prevalence survey on antibiotic use levels and microbial resistance in hospitals (Global Point Prevalence Survey - GLOBAL-PPS). This broad, ground-breaking study was coordinated by Professor Hermann Goossens and Dr Ann Versporten of the University of Antwerp in Belgium, and supported by bioMérieux. The results obtained highlight the need to optimise prescription habits. This investigation quickly established itself as a major element in the measurement and monitoring of corrective actions and has resulted, in some countries, in national improvement programs.

(1) 2016 O'Neill Report.

It also highlights the importance of *in vitro* diagnosis, as well as the need to use more diagnostic tests and improve the practices of prescribing antibiotics in all countries. More recently, the GLOBAL-PPS was disseminated by the WHO in its new toolkit, emphasising the programs for the proper use of antibiotics in countries with limited resources. It was also adopted by the CDDE⁽¹⁾, the IDSA⁽²⁾ and Médecins Sans Frontières. bioMérieux has since renewed its support for new surveys. The GLOBAL-PPS is now used in more than 90 countries, with the entry of five new ones in 2019 and data from more than 250,000 patients hospitalised throughout the world.

The GLOBAL-PPS more particularly focuses on education and countries with limited resources, especially through on-line training developed by the BSAC⁽³⁾. This training module, combined with other tools, will enable hospitals to define customised action plans, based on the results of the survey in their establishment and on local priorities.

The results of the fourth version of the study will be presented at the ECCMID conference in 2020. To complete the study, a new optional module devoted to healthcare-associated infections was created, as well as a questionnaire about the programs for the proper use of antibiotics put in place in participating hospitals.

Contribution to advisory committees

Christine Ginocchio, bioMérieux's Director of Medical Affairs, has been appointed to a four-year term on the US President's Advisory Council on Combating Antibiotic-Resistant Bacteria.

Its action within industrial consortia

The Company has also been involved in launching the AMR Industry Alliance, a consortium aimed at making and measuring progress in combating antimicrobial resistance in industry. Mark Miller, Chief Medical Officer at bioMérieux, sits on the Board of AMR Industry Alliance as the representative of the diagnostics industry.

In November 2017, General Management signed the BIVDA⁽⁴⁾ Antimicrobial Resistance Declaration.

In 2018, bioMérieux organised a day of discussion hosted by Lord Jim O'Neill, the renowned economist, politician and philanthropist who chaired The Review on Antimicrobial Resistance.

In April 2019, the University of Antwerp, bioMérieux, and the Wellcome Trust announced the launch of VALUE-Dx, the first project sponsored by IMI (Innovative Medicines Initiative) proposed by 6 companies in the *in vitro* diagnostics sector. These companies joined forces with 20 other partners to support the fight against antimicrobial resistance and improve patient care. The purpose of VALUE-Dx, a European public-private partnership, is to move medical practice towards the more appropriate, personalised prescription of antibiotics based on medical tests, through the use of diagnostic tests.

In addition, continuing a collaboration with the pharmaceutical laboratory Pfizer, bioMérieux supports the multicentre surveillance study iCREST (infection-Carbapenem Resistance Evaluation Surveillance Trial). The objective of this project is to determine the

prevalence of infections caused by bacteria resistant to the carbapenem class of antibiotics, and also to evaluate the efficacy of a new combination of antibiotics, bringing together ceftazidime and avibactam, in order to treat these serious and antimicrobial resistant infections. This study uses products developed by bioMérieux: the Chromogenic culture medium CHROMID® CARBA SMART and two ETEST® antibiotic susceptibility tests, ETEST® ceftazidime/avibactam (RUO) and ETEST® meropenem.

Support for international initiatives

The Company also supports a number of initiatives to help fight against microbial resistance in its host countries. bioMérieux participates every year in "European Antibiotic Awareness Day", organised by the European Centre for Disease Prevention and Control (ECDC), and "World Antibiotic Awareness Week", organised by the WHO. In this context, bioMérieux is launching education and awareness-raising campaigns in regards to laboratories, clinicians, veterinarians, the general public, and employees, to promote a more rational use of antibiotics.

Finally, in Burkina Faso, bioMérieux has supported a cross-university degree in antibiologie, jointly organised by African and French experts, through the funding of scholarships for six students from the University of Bobo-Dioulasso. The aim of this program is to train practitioners in public hospitals in prescribing antibiotics appropriately.

bioMérieux also organises high-level scientific meetings throughout the world to enable experts to discuss ways of responding to the worrisome emergence of resistant bacterial strains.

3.3.1.2 The fight against sepsis: early first-line diagnosis

Sepsis is a serious infection characterised by the reaction of an organism's immune system leading to potentially fatal organ failure. It is one of the primary causes of death throughout the world. About 27 million people around the world are affected each year by sepsis.

Making a diagnosis as quickly as possible is crucial for patients. The survival rate is 60% when patients receive appropriate treatment within 2 hours after the onset of care, and it falls to 30% if treatment is given within 4 hours.

bioMérieux has been committed to fighting this syndrome for a long time already.

To address this public health challenge, bioMérieux has adopted a solution-based approach, positioning itself as a valuable partner for healthcare professionals. Our "Sepsis Solution" offers a complete range of solutions dedicated to caring for patients at every stage of the infection. It promotes workflow optimization and allows sepsis patients' samples to rapidly reach the laboratory and undergo analysis.

(1) Center for Disease Dynamics, Economics & Policy

(2) Infectious Diseases Society of America

(3) British Society for Antimicrobial Chemotherapy

(4) British In Vitro Diagnostics Association

The Company offers different and complementary solutions, including immunoassay, bacteriology and molecular biology testing based both on the host response with VIDAS® procalcitonin testing (PCT), and the detection, identification and characterization of the disease-causing organisms, in particular with the BACT/ALERT®, VITEK®, and FILMARRAY® product lines.

3.3.1.3 Managing the risk of epidemics due to emerging pathogens: providing an appropriate response in the countries concerned

bioMérieux has long been present in emerging countries and pays close attention to the emergence of new disease-causing organisms.

Solutions tested in the context of epidemics

Since 2014, bioMérieux has established a group of internal experts dedicated to threats from infections due to emerging pathogens (Zika, Ebola, MERS-CoV, Lassa fever, Marburg virus, Chikungunya, etc.) and working to develop appropriate diagnostic tests. The aim is firstly to monitor the emergence of new epidemics, and secondly to develop and validate diagnostic tests for these emerging pathogens.

As such, in the face of the health crisis caused by the Ebola epidemic in West Africa in 2014, BioFire Defense, a bioMérieux subsidiary, obtained from the FDA an Emergency Use Authorization for BIOFIRE® FILMARRAY® BioThreat-E test, detecting the Ebola virus.

In 2015, the Company launched the ARGENE® MERS-HCoV r-gene® test, a new research-only RUO kit aimed at laboratories working on developing a tool for the diagnosis of the Middle East Respiratory Syndrome coronavirus (MERS-CoV). This molecular solution makes it possible to detect and screen for this pathogen, which has a mortality rate of around 35% in humans.

In April 2017, the Company obtained CE marking for the BIOFIRE® FILMARRAY® respiratory panel2 Plus (RP2plus). It can test 22 pathogens (18 viruses and 4 bacteria) responsible for respiratory tract infections (including MERS-CoV) simultaneously. This improved version, extended to the BIOFIRE® FILMARRAY® respiratory panel, offers faster result times (45 minutes compared to around 1 hour previously) and greater sensitivity.

An epidemic of acute respiratory infections and pneumonia emerged in the city of Wuhan, (in Hubei province, China) in December 2019. The coronavirus, referred to as Covid-19, different from other known coronaviruses, was identified as the agent responsible for the epidemic and has been spreading ever since, mostly in China, but also to other parts of the world. The bioMérieux research teams started urgently developing reliable diagnostic tests to detect the Covid-19 coronavirus. At the date of this document's publication, the availability of ARGENE® format tests is planned for the first quarter of 2020, and the launch of a panel of FILMARRAY® format tests is planned for the first half of 2020.

A centre of excellence on tropical infectious diseases and research programs

In 2016 the Company created a Centre of Excellence in Brazil, where local teams are conducting research projects on the diagnosis of tropical infectious diseases.

In April 2017, bioMérieux and its partner, the Institute of Tropical Medicine at the University of Sao Paulo, received the financial backing of the Sao Paulo State Research Foundation (FAPESP) for a program to research severity markers for viruses such as Dengue and Chikungunya.

In October 2019, bioMérieux and the University of São Paulo announced the creation of a joint research unit. On the model of the ANTOINE research program carried out with the *Hospices Civils de Lyon* (see section 1.6.1.3), the ANTONIO Project with the Infants Institute of Sao Paulo involves validating biomarkers in immunocompetent and immunosuppressed children presenting with febrile syndrome. It aims to validate the biomarkers that can rule out a bacterial infection and guide the prescription of antibiotics.

3.3.2 Product quality and safety

Every day, bioMérieux strives to guarantee the quality and safety of its products, thus protecting patients and consumers (see section 1.5). It must meet the highest industry standards and ensure that its partners in the production chain, both upstream and downstream, meet the same standards. This is all the more important in a regulatory environment that is changing rapidly at both local and international levels, resulting in an increase in the number of regulations to follow and greater complexity in meeting all of these requirements.

Driven by the constant increase in the geographical expansion of its installed base means that the Company is becoming more vigilant with respect to the robustness of its quality management system, as well as its ability to detect and correct any problems associated with the quality of its products, or carry out preventative maintenance on its instruments.

The Company may be liable in the event of a diagnostic error resulting from a quality defect in one of its tests or a performance defect in one of its machines. As stated in section 2.1.4, the Company has introduced a Global Quality Department, whose mission is to implement a management system aimed at guaranteeing compliance with current quality standards and addressing regulatory issues. A Quality Assurance Department in each region is involved in all phases of product development, as well as in each stage of production and distribution, including monitoring products after they are brought to market and tracking customer complaints and product recalls.

Regular internal audits are conducted at production sites and subsidiaries, aimed at improving implementation of internal processes and compliance with standards such as MDSAP (see section 1.5.1).

The Group's production sites are also regularly inspected by health authorities to provide independent oversight and support a process of continuous improvement. A summary of the inspections conducted in 2019 is presented in section 3.4.3.



Finally, the Company has begun a process of certifying its main production sites, with the aim of meeting the most stringent industry standards:



- **ISO 9001 certifications: 49 sites and subsidiaries in 2019**
- **ISO 13485 certifications: 12 sites and subsidiaries in 2019**

3.3.3 Data protection

In the course of its business, the Company has access to three categories of personal data: employees, patients, and administrative data from partners (clients, suppliers, and distributors).

As to the data patients' personal data, the confidentiality of which is ensured by particularly strict regulations in the United States (Health Insurance Portability and Accountability Act – HIPAA) and Europe (General Data Protection Regulation – GDPR). In addition, systems marketed by the Company process patient data on a daily basis. In designing and supporting these systems, the Company must ensure data confidentiality, integrity and availability and uphold the basic rights of the affected patients (see section 2.2.4).

As a response to these issues, bioMérieux has developed a personal data protection program based on:

- the general data protection policy approved by General Management;

- the appointment of a Data Protection Officer (DPO) reporting to the Executive Director, Legal, Intellectual Property, and Compliance; and registered with the French Data Protection Authority (*Commission Nationale Informatique et Liberté* – CNIL);
- a network of 50 DPO-business line liaisons at subsidiaries, sites, and global functions, who, trained in the regulations, are responsible for overseeing compliance;
- an on-line training about GDPR aiming at heightening awareness of employees about their rights.

The methodology applied to ensure GDPR compliance has now been expanded to other companies of the Group and outside of Europe in order to apply a level of protection at least identical to that imposed by European regulations.

bioMérieux's policy and legal information on processing is accessible to third parties on the Company's Corporate website and to employees on its intranet.

Finally, the privacy implications of the processing of patients' personal data has been analysed, with potential risks highlighted and ranked, and remedial plans regularly monitored.



As such, under GDPR, over 400 personal data processes have been recorded at the Company. Assessing these processes led to 69 privacy impact assessments and to maintaining a register including more than 430 applications within the scope of the GDPR.

3.3.4 Sponsorship and charitable activities

3.3.4.1 Sponsorship

Pursuant to Act No. 2003-09 of August 1, 2003, the Company's Board of Directors decided to contribute a portion of revenues to sponsorship activities. The table below shows the funds contributed to Corporate sponsorships and other donations:

Contributions, donations and sponsorships (in thousands of euros)	2019	2018	2017
Contributions	4,034	3,654	3,047
<i>of which to the Mérieux Foundation</i>	409	350	33
<i>of which to the Christophe and Rodolphe Mérieux Foundation</i>	2,000	2,000	2,000
Sponsorships and other donations	326	854	372
TOTAL	4,360	4,507	3,419
As % of sales	3.5	3.8	3.0

bioMérieux supports the Museum of Grenoble and the Musée des Beaux-Arts in Lyon, thus securing the acquisition of paintings of considerable historical importance. As such, in 2019, bioMérieux helped to fund the acquisition of a Henri Matisse painting, "Katie en robe jaune", for the *Musée des Beaux-Arts* in Lyon.

For many years, bioMérieux has also supported diverse cultural events, including the Chaise Dieu music festival (Haute-Loire – France), a partnership of over 30 years, the Baroque Music Festival of Lyon (Rhône – France), and the Lumière Cinema Festival organised in Lyon (France) every year by the Institut Lumière.

3.3.4.2 Working with local communities

The Group is involved in the life of the local communities around its sites and subsidiaries, taking part in social and cultural initiatives.

For example, the Company implements a policy promoting the employment of troubled youth and equal opportunities through partnerships with the *Sport dans la Ville* and *Institut Télémaque* associations.



Since 2007, bioMérieux has been one of the main partners of the Sport dans la Ville Association in France, whose purpose is to promote the social and professional integration of young people from underprivileged neighbourhoods through sport. In 2018, bioMérieux became involved with a project to build a digital space on the Association's Lyon campus. This dedicated space, covering more than 130 m², is an innovative workspace for young people in the *Job dans la*

Ville program, and familiarises them with digital technologies. It opened in January 30, 2019 in the presence of Alexandre Mérieux.

In 2019, bioMérieux was keen to continue its support for the development of the *Apprenti'Bus* program. The Company helped to fund the acquisition of a third adapted bus offering mobile educational assistance to young people to support them in learning written and spoken communication.



In 2014, bioMérieux launched a partnership with the Institut Télémaque whose mission is to support social mobility by sponsoring deserving secondary pupils from modest backgrounds who are eager to succeed in school. The Company has funded the mentoring by some of its employees of 20 young people, selected by Institut Télémaque, for the 2018-2019 academic year.

THE ENTREPRISE DES POSSIBLES:



In early 2019, Alain Mérieux officially launched the *ENTREPRISE DES POSSIBLES*, a societal initiative aimed at mobilising companies in the Lyon metropolitan area and their

employees to offer assistance to the homeless and vulnerable. bioMérieux, alongside other companies, is already involved as the founding member of the collective.

bioMérieux employees were given incentives to take part in either of two ways: donating paid leave days or doing volunteer work. In terms of the first strand, the response of bioMérieux employees was exceptional, with the donation of some 214 paid leave days which were then monetised (and matched by bioMérieux),

resulting in a total contribution of €100,000 to the *Entreprise des Possibles* endowment fund to help the most vulnerable. The first volunteer opportunities were published in September 2019, and a review will be published in 2020.

BIKE&RUN RACE:

For three years, bioMérieux has been supporting and taking part in the Bike&Run France race held each year on the campus of an educational institution in Lyon. Students from universities and educational institutions take part in this mixed race alongside companies from the Auvergne-Rhône-Alpes region. With student-company pairs competing, its aim was to enable manufacturers to share their values with undergraduates through a sporting event and to meet young talent in a different way.



3.4 Acting with independence and integrity

3.4.1 An independent shareholding structure that serves public health

bioMérieux's commitment to public health, and its expertise in biology, is rooted in the unique history of the Mérieux family. Institut Mérieux has a 59% stake in bioMérieux. Institut Mérieux commits its experience in biology to serving medicine and public health across the globe.

Established by Chantal and Alain Mérieux in 2001, the Fondation Christophe et Rodolphe Mérieux is an independent family-run foundation under the aegis of the Institut de France. Since 2005 it has been the reference shareholder of Institut Mérieux, holding one third of its shares. Its on-the-ground initiatives are financed through the portion of dividends paid by bioMérieux that it receives indirectly from Institut Mérieux.

As the reference shareholder of Institut Mérieux, Fondation Mérieux contributes to maintaining a humanist and responsible spirit in the Group. The presence of this reference shareholder ensures the viability of the Company, contributes to improving public health, particularly among the most disadvantaged groups, and makes the sharing of value, in line with the mission led by the Mérieux family and expressed within all of the Group's companies, a reality.

3.4.2 Sharing value with the foundations

bioMérieux contributes to the Group's Corporate Social Responsibility by sharing the value created with two foundations in particular: Fondation Christophe & Rodolphe Mérieux and Fondation Mérieux ("the Foundations"). These independent family foundations fight against infectious diseases that affect developing countries by increasing their diagnostic capacities. In addition to strengthening

local capabilities in biology, they also act to protect the most vulnerable individuals, especially mothers and their children.

bioMérieux distributes dividends to Institut Mérieux. Part of these dividends are paid indirectly to the Fondation Christophe & Rodolphe Mérieux, which is the only ultimate shareholder benefiting from them. This funds the Foundation's activities.

Furthermore, bioMérieux supports the activities of the Foundations through its contributions. As such, the Mérieux Foundations received €2,409 million in 2019.



Fondation Christophe et Rodolphe Mérieux

The purpose of the Christophe et Rodolphe Mérieux Foundation is to support public health-applied biological research in developing countries, and more specifically aid in the fight against infectious diseases, and contribute to scientific and educational projects.

In an effort to support high-level research in emerging countries, it launched the Dr Christophe Mérieux Prize of €500,000. Awarded each year, the aim of this prize is to sponsor researchers studying specific diseases in developing countries.

In order to dedicate most of its resources to financing its projects, the Fondation Christophe and Rodolphe Mérieux relies on the staff of the Fondation Mérieux, entrusting to them its operational activities on the ground, in particular the construction and operation of the Rodolphe Mérieux Laboratories.



Fondation Mérieux

Since its founding in 1967 by Dr Charles Mérieux, the Fondation Mérieux, an independent family foundation recognised as being of public interest since 1976, has been fighting against infectious diseases in developing countries.

Its objective is to strengthen laboratory diagnostic capabilities, which are often lacking in many countries suffering from repeated epidemics. Its actions favour diagnosis as an essential part of patient care, and also as an essential tool for monitoring and controlling diseases.

Fondation Mérieux's activities are based on four priorities:

- applied research capacity-building on the ground by training researchers, creating diagnostic tools and developing collaborative research programs for diseases that affect these countries;
- improving access to diagnosis for vulnerable groups by building microbiology capacity in national health systems through the creation of laboratories of excellence (Rodolphe Mérieux laboratories), setting up or renovating medical laboratories in hospitals and training their staff;
- promoting dialogue and the sharing of knowledge between health sector stakeholders. Le *Centre des Pensées* (Annecy, France), a forum for discussion between the North and South, plays a key role in circulating knowledge and scientific innovation worldwide. For over 30 years, it has been playing host to parties working in the health sector, from all disciplines and all countries: researchers,

clinicians, biologists, pharmacists, veterinarians, representatives of health and regulatory authorities;

- taking action for the mother and child through a holistic approach to health.

In 2019, for example, the accomplishments of the Foundations are the following:

- The Laboratoire Rodolphe Mérieux de Beyrouth, an observatory for disease-causing organisms and infectious diseases in Beirut, Lebanon, was designated the national reference laboratory for tuberculosis.
- In Laos, a Level P3 containment laboratory was installed at the Centre d'Infectiologie Lao Christophe Mérieux to enable the diagnosis and tracking of tuberculosis. This laboratory received ISO 15189 and ISO 15190 accreditation (quality, competency and safety of medical biology laboratories).

Committed to the fight against Ebola in the Democratic Republic of the Congo

bioMérieux supported the activities of the Fondation Mérieux as part of the fight against the Ebola virus epidemic in the Democratic Republic of the Congo. As such, bioMérieux donated BIOFIRE® FILMARRAY® systems and Global Fever Panel-RUO panels (for research is only) and BioThreat-E (Ebola).

- For the first time, the Fondation Mérieux provided training in antimicrobial resistance in partnership with Paris-Diderot University. The aim of this training was to support the objectives of the WHO Global Action Plan to combat antimicrobial resistance and enhance the capacities for strategic decision-making, particularly in countries with low to moderate income.
- The Foundations launched the construction of a medical-social centre for Yazidis women and children in Shekan (Iraq). Inaugurated in 2019, this centre is composed of units that provide psychological care, production workshops, and space for children's games and sports.
- In Lebanon, the construction of a medical-social centre for refugees was completed by the Foundations, with the support of its partners. Located in the Bakaa plain, this centre provides medical support as well as gynaecological, obstetric and paediatric consultation, and information on proper hygiene and social issues.

bioMérieux supports the Betania centre in Madagascar

bioMérieux provided its financial support to the Betania centre located in Ankasina, Madagascar. This centre, of which Fondation Mérieux is a partner, is composed of a medical dispensary for pregnant women and young mothers, a school, and a cafeteria for children. The funds allocated by bioMérieux were used to upgrade the medical building and build a sanitary building, in order to enhance the prevention of infectious diseases.

3.4.3 Regulatory compliance applicable to products

As described in sections 1.5 and 2.3.2, the regulations that apply to bioMérieux are numerous, wide-ranging, and rapidly changing as they are implemented and transposed locally. There is also a risk that these regulatory changes are not identified, interpreted, and implemented within the required time-scale.

In particular, the Company must meet the following regulatory requirements:

- industry-specific requirements such as ISO standards (in particular 9001 and 13485), MDSAP (Medical Device Single Audit Program), UDI (Unique Device Identifier), IVDR (*In Vitro* Diagnostic Regulation), and Post-Market Vigilance;

- local and international regulations, particularly those associated with import and export management.

Compliance is then audited by internal quality auditors who ensure that processes, data and documentation relating to various applicable regulatory requirements are robust.

As a response to these matters, the Company has established a Global Watch Committee with the aim of identifying, ranking and monitoring enforcement of the main regulatory changes across the Group.

The Company is also regularly inspected by local and international regulatory authorities. The results of the inspections conducted in 2019 are detailed below:

Main inspections of bioMérieux sites by regulatory authorities in 2019

	Site	Organisation	Date	Comments
EMEA	Marcy, Craponne, La Balme, Grenoble, Verniolle (France), and Florence (Italy)	LNE-Gmed, a notified body designated by certain regulatory authorities, in particular the FDA, based on the MDSAP (Medical Device Single Audit Program), ISO 9001:2015 and ISO 13485:2016 standards	June 2019	Renewal of MDSAP, ISO 9001:2015, and ISO 13485:2016 certifications
	Combourg (France)	LNE-Gmed, a notified body designated by certain regulatory authorities, based on ISO 9001:2015	June 2019	Renewal of ISO 9001:2015 certification
	Combourg (France)	COFRAC (French Accreditation Committee) based on ISO 17025	April 2019	Renewal of ISO 17025 accreditation for temperature calibration laboratories and the testing laboratory
	Tres Cantos (Spain)	COFRAC (French Accreditation Committee) based on ISO 17025	April 2019	First ISO 17025 accreditation for the site laboratory.
	Tres Cantos (Spain)	LNE-Gmed, a notified body designated by certain regulatory authorities, specifically the FDA, based on ISO 9001:2015 and ISO 13485:2016	May 2019	Renewal of ISO 9001:2015 and ISO 13485:2016 certifications.
AMERICAS	St. Louis, Missouri, and Durham, North Carolina (United States)	LNE-Gmed, a notified body designated by certain regulatory authorities, in particular the FDA, based on the MDSAP (Medical Device Single Audit Program), ISO 9001:2015 and ISO 13485:2016 standards	June 2019	Renewal of MDSAP, ISO 9001:2015, and ISO 13485:2016 certifications
	Lombard (United States)	LNE-Gmed, a notified body designated by certain regulatory authorities, based on ISO 9001:2015	June 2019	Renewal of ISO 9001:2015 certification
	Rio (Brazil)	LNE-Gmed, a notified body designated by certain regulatory authorities, based on ISO 9001:2015 and ISO 13485:2016	July 2019	Renewal of ISO 9001:2015 and ISO 13485:2016 certifications
	BioFire Diagnostics – Salt Lake City, Utah (United States)	LNE-Gmed, a notified body designated by certain regulatory authorities, specifically the FDA: certification monitoring audit, based on MDSAP standards, ISO 9001:2015 and ISO 13485:2016	September 2019	Renewal of MDSAP, ISO 9001:2015, and ISO 13485:2016 certifications
ASPAC	Shanghai (China)	LNE-Gmed, a notified body, of the Pudong site, based on ISO 9001:2015 and ISO 13485:2016		Production halted at Pudong production site in June 2019



3.4.4 Business ethics

3.4.4.1 Anti-corruption measures

bioMérieux is exposed to risks of corruption linked to its business (see § 2.3.1).

bioMérieux's commitment to public health is part of a policy of protecting patient interests whilst preserving its reputation and the interests of shareholders. bioMérieux's actions are governed by a set of principles, directives, standards and procedures that correspond to

current ethical norms. Thus, bioMérieux is developing an anti-corruption program which reflects the principles of the Global Compact and current regulations. In particular, bioMérieux and its employees are committed to combating corruption in all its forms, including extortion and bribery.

This program is under the responsibility of the Corporate Vice-President, Legal, Intellectual Property, and Compliance, through the Ethics and Compliance Department. The Global Compliance Officer draws on regional and local managers for the three main subsidiaries, as well a team responsible for export control.

bioMérieux's ethical principles extend to everywhere it operates. For this reason, teams of correspondents have been set up in each site and tasked with disseminating and applying the program's ethical and compliance-related principles at the local level. These teams also ensure that the Group's internal directives and all local laws and procedures are applied. Each site or subsidiary has a dedicated Local Compliance Team (LCT), which comprises, at a minimum, the subsidiary manager or site director, human resources director, finance director and a training coordinator. This team acts as the central team's correspondent at the local level and is responsible for disseminating and applying the Ethics and Compliance program.

General Management, the Executive Committee and the Audit Committee of the Company are regularly apprised of the status of the program. Moreover, a Central Ethics and Compliance Committee, consisting of, at a minimum, the Corporate Vice-President, Legal, Intellectual Property, and Compliance, Institut Mérieux's Secretary General, the Chief Financial Officer, the Vice President of Human Resources, and the Head of Internal Audit and Risk, meets every quarter to oversee the Group's implementation of the Ethics and Compliance program.

The Ethics and Compliance Department is in charge of drawing up, promoting and monitoring implementation of all compliance and ethical standards in accordance with applicable laws and the Company's Global Code of Conduct.

bioMérieux has also introduced a tool for analysing its suppliers in order to identify potential controversies surrounding them, particularly in terms of corruption.

Finally, the Company has brought its anti-corruption program into compliance with the Sapin II law, by introducing appropriate procedures.

Ethics and Compliance program

Through the Ethics and Compliance program (the "Program"), bioMérieux places an emphasis on conducting business in compliance with all laws and regulations, as well as the Company's own values and culture. bioMérieux expects its employees to embrace and share these values.

The program is intended to allow all bioMérieux employees to contribute to the Company's growth, in compliance with business ethics, Group culture and all applicable regulations. It is designed to prevent unethical conduct. The program also takes account of the rules that apply in the field of lobbying.

For this reason, staff training in the rules of business ethics is a central part of the Program, which contributes to the prevention of risks. It draws on the Global Code of Conduct. The principles of which will be gradually developed in line with annually set priorities.

In 2019, the Program's main priorities were to:

- enhance measures to prevent corruption, in accordance with the new requirements of the Sapin II law;
- secure the distribution network and other intermediaries;
- relations with healthcare professionals;
- understand and effectively apply export regulations;
- the new EU General Data Protection Regulation (GDPR).

Code of Conduct

A new, more comprehensive version of the Global Code of Conduct⁽¹⁾, and adapted to new risks arising mainly from new regulations (in particular anti-corruption, anti-money laundering, relationships with healthcare professionals, and personal data protection), has been issued to all employees. It is available in nine languages (French, English, Chinese, Spanish, German, Portuguese, Italian, Russian and Turkish) and is the subject of an annual comprehensive staff training and awareness-raising campaign. The Global Code of Conduct specifies that any employee who breaks one of the rules, or who encourages or authorises an infraction against the Code, will be subject to disciplinary sanctions that could involve termination of their employment contract.

Its distribution is supported in the following ways:

- a training course on the content of the Global Code of Conduct is offered to all employees;
- the code is uploaded to the Company's Corporate website and Intranet;
- a copy of the Code of Conduct is given to each new bioMérieux employee.

Moreover, the Code of Conduct as well as a document containing "Business Practices Applicable to Third Parties" are brought to the attention of external partners, whom the Group asks to uphold the principles of business ethics. For this purpose, the Group appends these documents, or a web reference to them, to its main contracts with suppliers and distributors, in order to ensure that its commercial partners are contractually bound by them.

Corruption prevention measures

bioMérieux's Corruption Prevention program is based on two components. The first is the Global Code of Conduct, which forms the basis of the Ethics and Compliance program. The second is the Corruption Prevention Manual⁽²⁾ which can be accessed on the Company's Corporate website and intranet. The Manual sets out the Company's expectations in its relations with partners.

In 2019, the Company also created and circulated a new procedure and new interactive tool for approving third parties in order to identify and, where necessary, reject before hiring, any partners at risk of corruption.

In addition, the Company has produced a document on "Business Principles for Third Parties" and a "Third Party Approval Form" to raise its partners' awareness of the importance of complying with the Company's ethical conduct rules when doing business.

(1) <http://www.biomerieux.com/sites/corporate/files/Ethics/FR/mobile/index.html>

(2) https://www.biomerieux.com/sites/corporate/files/040268_-_att_2_-_manuel_de_prevention_de_la_corruption_-_fr_1.pdf


The Corruption Prevention program is designed to:

- promote ethical conduct in business dealings;
- familiarise employees with the Company's rules and anti-corruption laws;
- give employees a forum in which to ask questions.

The Ethics and Compliance program provides for online training, with the schedule, content and target audience determined on a yearly basis. The training aims to raise employee awareness of applicable internal regulations and procedures so that team members can conduct themselves in an upright, ethical manner in their business and work relationships.

In 2019, about 19,000 online courses were offered to employees across all subsidiaries, including courses on the Code of Conduct, anti-corruption measures, and third-party management.. Furthermore, courses on the AdvaMed (American "Advanced Medical Technology Association") and MedTech Europe (European association of medical equipment suppliers) and Mecomed (for the Middle East and Africa) Codes of Conduct were also distributed to the employees concerned. Finally, since 2016, all new hires have systematically taken three compulsory courses (on the Global Code of Conduct, anti-corruption measures, and conflicts of interest).

In 2016, bioMérieux put in place a global training and awareness campaign on its Code of Conduct for all of its employees. In 2017, 2018 and 2019, the Company provided this training to all new recruits. In 2019 a new global training campaign was launched for all employees.

 **In 2019, the Company offered its employees online courses on business ethics. The anti-corruption course participation rate was 79%, the third-party management course 78%, and the conflict of interest management course 62%.**

3.4.4.2 Whistle-blowing

Special structures comprising a dedicated hotline and e-mail address have been set up as a listening service and to advise employees so that they can express themselves freely and report cases of non-compliance (see section 2.3.1).

Any employee who witnesses a breach of the Global Code of Conduct or of laws or regulations in general, should first report the issue to his or her manager or supervisor. Employees may also contact the Human Resources Department, the Legal Department or the Ethics and Compliance Department.

An ethics hotline has been rolled out in all of bioMérieux's host countries and is independently managed by an external provider. It provides employees with a local telephone hotline in the local language, as well as a website through which a report can be made online. To this end, in 2018 all Group employees received a card with the local contact details or website to submit their report.

The Company has a zero-tolerance policy concerning threats to employees who have reported something in good faith, refused to break the law, or taken part in an investigation.

Finally, the Company has made the necessary changes to its procedures and tools in order to incorporate the status of whistleblower as defined by the Sapin II law and the Vigilance law.

3.4.4.3 Public and governmental affairs

Around 70% of medical decisions are based on *in vitro* diagnostic testing, while the sector only accounts for 1-2% of healthcare spending⁽¹⁾. The importance of *in vitro* diagnostics in improving patient care and its effectiveness in terms of the sustainability of healthcare systems are increasingly recognised, making diagnostic tests a key part of 4P medicine (personalised, preventative, predictive and participative).

On the basis of this observation, in 2018 bioMérieux established the Public and Governmental Affairs Department which is aiming at raising awareness and achieve recognition of the medical and economic value brought by *in vitro* diagnostics, particularly in terms of antimicrobial resistance, to ensure antibiotics are prescribed appropriately and for food safety purposes.

The Public and Governmental Affairs team strives to share relevant information liable to inform public decision-making, with full transparency, integrity and in accordance with its mission as a public healthcare provider. In particular, it aims to ensure that the specificities of the *in vitro* diagnostic sector are taken into account by the authorities. The objective is to improve market access and fund diagnostic solutions in the long term, in particular in the case of innovative tests, in a restricted economic environment, amid major changes in medical practice and current government reforms in healthcare.

The Company undertakes to take collective and individual action, drawing on comprehensive, accurate, objective and balanced information:

- in accordance with national and international regulations;
- in a reasonable manner;
- in the spirit of consultation and transparency.

(1) Rohr et al., The Value of In Vitro Diagnostic Testing in Medical Practice: a status report, PLoS one, 2016 Mar 4.

The following are examples of concrete action by bioMérieux:

In France – CSF-Antibiorésistance

bioMérieux is leading the industry-level strategy on fighting antimicrobial resistance, *Contrat Stratégique de Filière Industries et Technologies de Santé – Antibiorésistance*. Amid a global public health emergency, the purpose of this working group is to make practical, evidence-based proposals to French health authorities in order to (i) unite the industry around fighting “antimicrobial resistance”, (ii) allow existing health products to remain on the market, (iii) support the launch of new products under regulatory and pricing conditions that are satisfactory and sustainable for all players, and (iv) entrench France’s role in combating antimicrobial resistance on the international stage.

In the United States – PACCARB

The purpose of the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria is to provide the US government with advice, information and recommendations on programmes and policies related to combating antibiotic-resistant bacteria. bioMérieux’s Vice President Global Medical Affairs, Christine Ginocchio, is actively involved with this group.

In taking action, the Company is supported by these trade associations:

- the Advanced Medical Technology Association (AdvaMed): This American association promotes policies that foster the highest ethical standards, rapid product approvals, appropriate reimbursement, and access to international markets;
- the *Syndicat de l’Industrie du Diagnostic In Vitro* (SIDIV): this trade association represents manufacturers in the sector in France. It helps them to defend their interests by acting as a key point of contact for public authorities. bioMérieux’s director of Public and Governmental Affairs, Isabelle Tongio, was elected Chair of SIDIV in 2019 for a one-year term;
- Medtech Europe is a European trade association for the medical industry. Yasha Mitrotti, bioMérieux’s Corporate Vice-President, Europe, Middle East, Africa Region, sits on its Board, and Isabelle Tongio, bioMérieux’s director of Public and Governmental Affairs, is a member of its Public Affairs Committee;
- AMR Industry Alliance is a global initiative that brings together industry players from the life sciences sector to respond to the United Nations’ call in 2016 to tackle microbial resistance. bioMérieux is actively involved in this organisation alongside other companies in the pharmaceutical and *in vitro* diagnostics sectors.

The Company is also a member of *G5 Santé* and the *Association Française des Entreprises Privées* (AFEP).

In 2019, €726,000 was spent on trade association fees.

Moreover, the Group’s distribution subsidiaries are encouraged to join their local trade association. The costs incurred are not material.

The Company also complies with its obligations by declaring its French lobbying activities to the *Haute Autorité pour la Transparence de la Vie Publique* (French high authority for transparency in public life).

Finally, the Group prohibits any direct or indirect contribution (purchase of goods and services) to local, national or international activities and political parties⁽¹⁾.

3.4.4.4 Ethical marketing

The Global Code of Conduct reiterates that the ultimate aim of bioMérieux’s interactions with healthcare professionals is to improve the standard of patient care and improve public health. It specifies that:

- local laws and regulations on promotion and marketing to healthcare professionals, industry rules of conduct (such as Advamed and Medtech), and the principles of the corruption prevention manual must be followed;
- information for healthcare professionals must be accurate, transparent and fair;
- a product must only be promoted for the locally-approved use, in accordance with local legislation;
- a healthcare professional must never be offered or supplied with a product with the aim of exercising undue influence on their prescribing decisions;
- under a range of national legislation, the Company is required to record and report to the government any transfer of value to a healthcare professional, and compliance with this is mandatory;
- comparison of the Company’s products with the competition must be fair, substantiated, and compliant with all applicable laws and regulations. The Company’s products or services must never be labelled or marketed in such a way as to confuse them with those of its competitors. Products, services and employees of competitors must never be denigrated.

3.4.4.5 bioMérieux’s tax policy

bioMérieux’s tax policy is responsible. Through its operations in over 160 countries, its tax contribution includes a wide range of direct and indirect taxes, corporate taxes, and social contributions, as well as customs duties, paid in many countries. bioMérieux’s tax approach is aimed at ensuring compliance with local legislation and regulations, in letter and spirit, as well as with relevant international standards.

In accordance with bioMérieux’s Code of Conduct, the Group’s tax policy is defined according to the following principles:

- **Taxes follow the business:** bioMérieux’s taxation is the result of its activities and operational choices. bioMérieux has no organisations in tax havens and does not allocate any functions/risks to organisations without economic substance.

(1) bioMérieux, Corruption Prevention Manual, p. 15. <https://www.biomerieux.com/en/preventing-corruption>

- The Group has no subsidiaries in any of the following jurisdictions: Andorra, Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Bahrain, Barbados, Belize, Bermuda, Cyprus, Curaçao, Gibraltar, the Cayman Islands, the Cook Islands, the Isle of Man, Mauritius, the British Virgin Islands, Jersey, Luxembourg, Malta, Puerto Rico, or Samoa;
- For operational reasons, the Group has subsidiaries or a presence in the following fiscal jurisdictions offering attractive tax arrangements: the United Arab Emirates, Hong Kong, the Netherlands, the United Kingdom, Singapore, Switzerland, and Taiwan. The taxable profit in these countries is in line with OECD recommendations on fair compensation.
- The legal structure of the main companies owned by bioMérieux SA has been available for a number of years in section 1.2.2.1 Legal structure.
- **Full compliance:** bioMérieux ensures that all taxes and contributions are reported and paid in compliance with local regulations, and in accordance with recognised international standards such as the OECD guidelines. Furthermore, subsidiaries in the bioMérieux Group are required to follow the Global Code of Conduct, which promotes the financial integrity of staff and anti-money laundering measures in particular;
- **International balance:** bioMérieux has a transfer price policy, updated regularly, which complies with the arm's-length principle and, more generally, with OECD recommendations. This policy applies to all cross-border transactions within the Group.
In setting its transfer prices, the Company conducted robust functional analysis of its activities, so as to compensate each company within the Group according to the functions performed, risk exposure, assets, and resources used. Through this analysis, it has identified a number of "key entrepreneurs" for the product and service lines on the market. These "key entrepreneurs" are primarily located in France and the United States. In accordance with OECD principles, they receive any residual compensation, *i.e.* the profit or loss once all entities involved in the economic process, particularly commercial companies, have been fairly compensated.
- **Full cooperation with tax authorities:** bioMérieux promotes open and proactive communication with tax authorities in all countries. bioMérieux helps to draft the annual Country-by-Country Reporting (CbCR), which is submitted to the French tax administration by the

ultimate parent, Compagnie Mérieux Alliance, Institut Mérieux's parent company. France currently shares its CbCR data with 62 countries (including the 27 countries of the European Union, Australia, Brazil, Canada, China, India, Japan, South Korea, Russia and the United States).

The Tax Department reports to the Group's Administrative and Financial Department. It draws on a network of internal contacts and on external consultants, depending on the issue. This coordinates, raises awareness and supports the Financial Departments of each Group subsidiary so as to ensure they meet the standards of compliance required according to the Group's policy and standards.

The Group's income tax expense is explained in the section on consolidated statements (see section 6.1.2, Note 25). A more specific regional analysis is provided below.

The effective tax rate for the Americas region, which accounts for 45% of the Group's total revenue, is 21%. This rate, which is below the legal rate in the United States (around 25%), the main country in the region, is due to the positive effect of the research tax credits and the US tax reform which benefits those companies that produce in the United States and sell overseas (reduction of income tax expense through the deduction of FDII – Foreign-Derived Intangible Income). Without these factors, the effective tax rate for the Americas region would be 25%.

The effective tax rate for the EMEA region, which accounts for 36% of the Group's total revenues, is 22%. This rate, which is below the legal rate in France of 34.43%, is due to the positive effect, in France, of the research tax credits and the sponsorship tax cut. Without these factors, the effective tax rate for the EMEA region would be 30%.

The effective tax rate for the Asia-Pacific region, which accounts for 19% of the Group's total revenue, is 64%. The average rate for the region is negatively affected by the losses of Hybiome which benefits from a tax rate of 15%, and by the unrecognised deficits in manufacturing activities in India and China. Without these factors, the effective tax rate for the Asia Pacific region would be 30%.

Research tax credits for the "key entrepreneurs", located primarily in France and the United States, reflect a significant financial and human commitment, making it possible to maintain and develop highly qualified jobs at the local level, ensuring long-term development that reflects the bioMérieux values.

3.5 Promoting the development and well-being of our employees

bioMérieux's employees are its most important asset. As such, the management of human resources is a priority for bioMérieux.

Around 73% of employees are located in France and the United States. It is for this reason that the actions described below essentially refer to these two countries, which are thus being treated as pilots ahead of implementation in other countries where the Group is present. These actions act as reference points for the labour relations policy that bioMérieux strives to apply to all of its employees throughout the world, taking into account local regulations and customs. For example, the same recruitment procedures, pay policies, training policies and annual appraisals apply to all employees worldwide.

bioMérieux was recognised in 2020 by the Top Employers Institute as one of the best employers in terms of the standard of its working conditions in China for the second year running, France, the United States, and South Africa.

Based on the evaluation of 600 HR practices (for example, talent and performance management, training, compensation, and Corporate culture), a tool has been produced to aid decision-making with a view to developing strategies and implementing actions for continuous improvement.



bioMérieux ranks third among the most attractive companies in France, and, for the third year in a row, received an award at the 10th Randstad Awards⁽¹⁾.



3.5.1 A corporate culture based on social dialogue

The Company considers it essential to maintain good employee relations. There is a well-developed tradition of social dialogue with the employee representative bodies, in France but also within its subsidiaries.

In 2019, France defined a new entity representing employees, the Social and Economic Committee (SEC). An establishment-level SEC (ESEC) was thus put in place in each French facility (Marcy l'Etoile, Craponne, La Balme-IDC, Grenoble-Verniolle, and Ker Lann-Combours-Ivry). Each ESEC meets at least once per month and is consulted on the establishment's economic, health, and safety issues. In addition to these five ESECs, a Central SEC was created at the level of the Company, grouping 16 incumbents and 16 alternates. It meets at least once every two months, even though the legal obligation is once every six months, and its mission is to handle subjects of interest to the Company as a whole. The CSEC met 11 times in 2019. Depending on the items on the agenda, the members of the Executive Committee attend these meetings, which have been a forum for discussing the Company's situation, environment, financial performance, five-year strategy, R&D policy, industrial strategy, organisational changes, social balance sheet, and gender equality report, as part of implementing the company-level agreements.

In addition, in 2008, a European Works Council (EWC) was created, and includes all European subsidiaries of bioMérieux. It met twice in 2019 and handles subjects that go beyond the scope of France.

Each of these bodies (ESEC, CSEC, EWC) is overseen by a chair and a secretary. Each ESEC and the CSEC has a commission in charge of the health, safety and working conditions of the employees. The collective agreements, negotiated by representative unions within the company (CGT and CFDT in 2019), all specify the constitution of a monitoring commission, composed of the signatories to the agreement. These commissions are in charge of monitoring the application of the agreements and making regular reports thereon. For example, the gender equality commission and the commission on persons with disabilities monitor quantitative performance indicators, and the central commission on health and safety and working conditions monitors the indicators of the Occupational Health Agreement signed in 2012.

The following agreements and addenda were entered into in 2019:

- an agreement on the Quality of Life at Work, unanimously signed on January 31, 2019. This innovative agreement, which received recognition from the French Ministry of Labour and an award at the *Assises du Droit Social* (French national labour law conference), establishes new ways of organising work, e.g. through an *ad hoc* remote working scheme called FlexJob, and commits the Company to a quality and well-being policy for employees;

(1) The Randstad Employer Brand Research survey was conducted on the general public in 2018 by the independent institute TNS, across a panel of 250 companies with several thousands of employees, who provided opinions on approximately ten major criteria such as salaries, job security, career prospects, social responsibility, etc.

- a Company-level agreement on the Mandatory Annual Negotiations on salaries, working conditions and gender equality, which was unanimously signed;
- a supplementary profit-sharing agreement for employees in France to share the fruits of significant growth in 2018;
- a new profit-sharing agreement was unanimously signed for the 2019-2021 period, enabling bioMérieux to share the fruits of its growth with its employees;
- a unanimously-signed agreement on social dialogue and the establishment of Social and Economic Committees within each entity in France sets out the rights and obligations of social partners at bioMérieux SA, particularly the advances in terms of social dialogue for employee representatives, whether elected by employees or appointed by representative unions at the national level;
- an agreement and an addendum on holding workplace elections within the five French entities;
- an addendum to the Employee Savings Plan, signed unanimously, enables each eligible employee in France to subscribe OPUS Fund shares and thus become shareholders in bioMérieux (see section 3.5.3.1 "Employee share ownership").

Moreover, plans are under way to negotiate the proactive management of retirement.

Certain agreements signed by bioMérieux have been recognised, thus illustrating the standard of social dialogue in France and encouraging the Company to pursue its commitment.

bioMérieux held a meeting at the Ministry of Work on June 28, 2019, for a social dialogue event, *Les Journées du Dialogue Social*, organised by minister Muriel Pénicaud, to present the advances contained in the Quality of Life at Work Agreement.

The same agreement was shortlisted by the *Assises du Droit Social* awards for the most innovative agreement of the year and was awarded second prize, presented by Myriam El Khomri, the former French Minister of Labour.

Furthermore, the organisation of working time has been structured with new agreements since the introduction of the 35-hour work week. As such, bioMérieux, has always been keen to promote the quality of worklife of its employees and to ensure greater flexibility and a better work-life balance. For example, flex time, staggered shifts, night shifts and substitution teams on Saturdays and Sundays have been introduced, with the compensatory measures for the difficulty of these non-standard working hours and for travels outside working hours.

The "Health in the Workplace" agreement, aimed at improving the health and welfare of employees at work, pays particular attention to workstations, organisation, night shifts, and the prevention of psychosocial risks and harassment, in accordance with the non-discrimination principle. This agreement establishes regular remote work for certain autonomous personnel, which can be applied continuously or during special events requiring a reduction in commuting between home and work (pregnancy, rehabilitation after an accident, etc.).

Psychosocial risks are among the main focuses of bioMérieux's attention section 3.5.5.3.

3.5.2 Skills and headcount management

3.5.2.1 Career and performance management

Professional development is a strategic and social matter for bioMérieux. It helps to support employees throughout their career. It is built on a relationship of trust and dialogue between employees and managers.

For a number of years, the Executive Committee and Human Resources have coordinated the Talent Pool & Succession Plan process to identify, develop and retain talent. In 2019, over 98% of identified talents remained with the Company. Identifying these high-potential employees allows succession plans to be developed for key positions, as identified during the Strategic Workforce Planning process. In collaboration with Mérieux Université, the Company has designed specific programs and courses to support their development and induction.

Based on the five-year strategic plan, the Regions draw up their own forward planning of employment and skills, taking into account the Group's priorities and their own specificities. The main strands for 2019 and the coming years include:

- managing new job skills (sales, supply chain, medical), that meet the requirements of changing markets, technologies and digitalisation;
- improving management practices with the introduction of the Leadership Competence Model, and the intercultural approach.

The training plans drawn up in the countries incorporate these themes as priorities for development and underpin the Company's major plans for transformation.

All Group employees take part in a specific Performance Management Process (PMP). This is a system for assessing employee performance over the past year (job proficiency and targets met), as well as a development tool (employees' individual needs and aspirations are identified), and, on the basis of these twice-yearly reviews, any actions required to increase collective and individual performance are taken. The goal of the mid-year interview is to define the employee development plan, in particular the training plan.

3.5.2.2 Training

bioMérieux's response to the development requirements of its employees is based on two pillars: on the one hand, Mérieux Université, the Company's university, which trains the Institut Mérieux Group's employees; and on the other hand, an organisation specific to bioMérieux, the better to meet local and regional requirements.



Mérieux Université's range of courses is rolled out across four regional hubs in France, the United States, China and Brazil, and includes:

- programs for managers aimed at disseminating a shared management culture across the entities of the Institut Mérieux Group:
 - a Manager and Leadership Essentials program is offered to all managers in the Group,
 - a New Leader Induction program, which familiarises participants with the Group's challenges and strategy and instils in them a shared management culture,
 - the Fit For the Future program was also held for the fifth year in December 2019. It is aimed at supporting the development of managers with the potential to access leadership positions, in particular through strategic projects;
- and training courses specific to certain functions, which are offered at academies. The goal is to adapt the skills of each category of job and anticipate and support the major transformations that affect them, and coordinate an active, innovative community of practice. These courses are designed in collaboration with the relevant business line heads. As of 2019, there are a number of "Core" courses, including Finance, Marketing, Sales, Manufacturing, Supply Chain, Project Management, R&D process;
- Coaching and Teambuilding.

Moreover, product training remains a key factor in responding effectively to the requirements of bioMérieux's clients.

Since March 2019, Mérieux Université has provided employees of Institut Mérieux with a digital language-learning solution which offers a resource centre called Essentials, for working on five languages: English, French, Spanish, German and Italian. It is comprised of practice in written and spoken comprehension, vocabulary, grammar, and pronunciation.

In order to develop office automation and digital skills at bioMérieux, another platform has been available for employees of the EMEA region since January 2018 and was expanded to include employees of the Asia Pacific and Americas regions in January 2019. This platform includes courses in over 400 systems and platforms (office automation, communications, internet, multimedia, operating systems, etc.) in the form of short videos (micro-learning).

bioMérieux is developing the use of digital tools to train its employees. A training platform that was rolled out in 2017 enables each employee to consult the full range of bioMérieux's courses centrally, irrespective of the learning format (classroom-based, e-learning, blended learning, video, etc.). The platform is accelerating the digitalisation of learning worldwide and responding to the new skill requirements of a wide audience such as adapting to new IT tools, new regulations or new working methods such as collaborative working. Moreover, bioMérieux encourages its employees to engage in self-learning so that they can train beyond their own business line.



In 2019, the total number of training hours amounted to 241,344, representing an average of more than 21 hours of training per employee (compared with 20 in 2018).

The rate of access to employee training in 2019 was 89%.

The average number of training hours per employee and by geographic area is 10 hours in the Americas, 25 hours in Asia-Pacific, and 31 hours in EMEA.

3.5.3 Attracting and retaining talent

bioMérieux strives to retain its employees and attract new talent. As such, it must offer them the best and most attractive working conditions. In a constantly changing world, and in order to maintain an independent, people-focussed business model, bioMérieux puts many measures in place to create a stable working environment that meets the needs of all its employees. In particular, bioMérieux aims to implement a global labour relations policy focussing on good social

dialogue in support of ambitious economic performance with respect for local customs and legislation, attractive compensation and opportunities for internal mobility, whilst promoting diversity. Finally, bioMérieux is keen to establish close links with universities and educational institutions worldwide, in order to identify and attract young talent (see section 3.5.3.3).



3.5.3.1 Compensation

bioMérieux's policy provides for compensation in the form of a fixed and bonus salary and, emphasises fringe benefits such as retirement, death and disability insurance and health insurance.

Compensation structure	<p>Compensation (fixed and variable) is set in each country on the basis of local conditions, the Company's results and individual performance. For executives, a worldwide grading of positions makes it possible to compare levels of responsibility and set compensation on the basis of local benchmarks.</p>
	<p>In order to align staff with bioMérieux values and strategic priorities, Group employees receive variable compensation. Moreover, employees in France and the United States, as well as Global leaders and Talent Poolers, receive variable compensation weighted by indicators linked to the Company's economic performance, which are reported to the market.</p>
	<p>For example, bioMérieux SA employees receive both a basic compensation (base salary, seniority pay, various bonuses, and extra pay) and a variable compensation, which includes the provisions required by law and a performance-related bonus, unilaterally decided by the employer. Since 2016, the Company has sent all French employees an individualised wage and benefits summary (<i>Bilan Social Individuel</i>).</p>
Profit-sharing, incentives, and employee savings	<p>bioMérieux SA has a non-discretionary profit-sharing plan calculated on the basis of the legal formula.</p>
	<p>The profit-sharing plan, from which the bioMérieux SA employees have benefitted since 2013, was renewed for the 2019-2021 financial years. This new agreement, signed in early 2019, includes an increase in the main profit-sharing plan. In 2019, an additional profit-sharing component of €1,000 gross was allocated to each employee equally at the end of the 2018 financial year.</p>
	<p>The Company wants to closely involve its employees in the fruits of its growth through these different systems and the employee savings plans available to them, particularly in France: an employee savings plan (<i>Plan d'Épargne Entreprise</i>, PEE, established in 1987), a Company retirement savings plan (<i>Plan d'Épargne Retraite Collectif</i>, PERCO), and an employee shareholding plan. The Company encourages the saving of the collective variable compensation with these two latter plans through a matching contribution. The Company retirement plan (PERCO) benefits from a matching contribution by the Company, which can amount to up to 1.5% of the employee's gross annual compensation.</p>
	<p>Discretionary profit sharing, including the Corporate social contribution (<i>forfait social</i>), amounted to €20 million compared to some €21 million in 2018.</p>
Employee share ownership	<p>As a result of the Company's initial public offering as well as the introduction of the employee savings plans and several employee share ownership plans for Group employees over the last few years, nearly one in two current employees are bioMérieux shareholders (see section 7.3.4).</p>
	<p>The Company was keen to build on this in 2019. Following two initial plans in 2017 and 2018 for employees outside France and the United States, a new employee share ownership plan (MyShare) has been implemented across all subsidiaries (except as per local restrictions). All employees with at least three months of service were given the option of joining this employee share ownership plan in the form of a discount of 30% and a matching contribution for the first €1,000. The participation rate was 65% in France and 44% in the rest of world.</p>
Supplementary pensions	<p>The Company pays special attention to preparing for its employees' retirement: Article 83 in France, 401K plan in the United States, and similar mechanisms in other countries. This differentiating aspect is included in the overall compensation package presented to employees at recruitment and is instrumental in attracting talented people.</p>
Free share grant	<p>In order to retain key people within the Company, including Global Leaders as well as those identified during the Talent Pool process, bioMérieux has had a free share grant policy (see section 7.4) for a number of years.</p>
Days off	<p>Most of the subsidiaries worldwide have a policy of awarding more days off than the legal minimum, and reward their employees with additional days off related to seniority within the Company.</p>
On-site catering	<p>The Company offers staff canteens at most of its sites and subsidises the price of meals in some countries. As such, some 75% of employees worldwide are able to have a balanced meal at work, thus preventing certain situations of food insecurity for its employees. In 2018, bioMérieux invested €1.2 million in improving the cafeterias at two sites in France (La Balme and Marcy l'Étoile), and €200,000 in improving the range of food offered to employees (more organic, local, and fresh produce, etc.).</p>

At December 31, 2019, total personnel costs (salaries and wages, payroll taxes, and discretionary and non-discretionary profit-sharing plans) amounted to €1,014 million compared to €875 million at December 31, 2018 (see section 6.1.2, Note 20).

3.5.3.2 Promotions and internal mobility

Internal mobility is considered one of the key factors in the success of the employment policy. The issue of skills and changes in jobs over the next three-five years is addressed by the Company at a number of levels. There are technological factors with the ever greater impact of digital technology, but also economic factors related to the changing customer base or competition.

With its global presence and diverse range of technology, the Company can offer its employees professional development and internal mobility opportunities. Furthermore, belonging to the Institut Mérieux Group offers options for mobility within the Institute and its subsidiaries.

bioMérieux's policy encourages internal promotion by offering the required support and training.

3.5.3.3 Attracting and retaining young people

bioMérieux is pursuing its commitment to recruiting young professionals. bioMérieux is a partner to universities and educational institutions in France and overseas, a situation that allows it to strengthen its cooperation with academic research. This initiative is aligned with the Company's human resources policy to attract the talent and scientific profiles bioMérieux will need to address ongoing changes in its occupations.



bioMérieux has had a partnership with EMLYON Business School since 2015. Through this agreement, bioMérieux became one of the first companies to join the Global Business Network of major international Corporate partners. Thus it is becoming the expert life sciences partner as part of the IDEA program (Innovation, Design, Entrepreneurship & Arts), a new pedagogical approach implemented by EMLYON to train the innovative entrepreneurs of the future. In the area of research, bioMérieux supports the development of work carried out within the Institut français de gouvernement des entreprises (IFGE), the EMLYON research centre and social laboratory dedicated to Corporate Governance issues. The partnership also includes the possibility of training for bioMérieux employees to help them enhance their skills, notably in relation to the digital transformation



bioMérieux is also a founding member of the Fondation Université Grenoble Alpes, established in 2014. This Foundation's aim is to support high-level research and training and promote equal opportunity, providing guidance through the transitions of the 21st century. In 2019, the Company renewed its partnership with the Fondation UGA for a further five years.

Since 2015, bioMérieux has also been involved with the Université Grenoble Alpes's Master Excellence Health4Life Program, funding 31 grants in five years to enable the best students from this discipline to pursue their studies in an international environment. This Master's degree program from the School of Pharmacy at Université Grenoble Alpes combines multidisciplinary approaches, providing a unique interface among the disciplines of healthcare, computer engineering, and maths. This partnership enables the Company to recruit young graduates of this program.

3.5.3.4 Employee satisfaction surveys

In 2019, a survey was issued to over 2,000 employees in the United States in order to measure their engagement. The response rate was 71%. The engagement rate was 76%, four points higher than a sample of North-American companies and two points higher than a sample of international companies in the biotechnology and medical devices sector.



bioMérieux has been a partner of the INSA Lyon Foundation SA since 2010. Every year, the Company also hosts interns from INSA, runs careers days at the school and takes part in its Company Forum.



Building on this partnership, the Company is now a Corporate Partner of the UNITECH program. This elite exchange program brings together nine European universities: INSA Lyon (France), Chalmers (Sweden), Trinity College (Dublin, Ireland), Aachen University (Germany), ETH Zürich (Switzerland), Polytechnico de Milan (Italy), TU Delft (Netherlands), Loughborough University (England), UPC Barcelona (Spain), and more than 20 Corporate partners. Through this program, the Company is involved in selecting the best engineering students and training them, with a strong focus on new technologies; offering the students study projects or internships; and recruiting candidates at every step of their program.



Long-term partnerships are also in place with Ecole Supérieure de Biologie, Biochimie, Biotechnologies (ESTBB), a school in the Catholic University of Lyon's scientific cluster. Nearly 180 bioMérieux employees are alumni, and the Company welcomes young people as interns or work-study students every year. Since 2008, the HRD of bioMérieux EMEA has chaired the school's Development Council, a forum for discussion with heads of departments where the opinions of professionals are gathered to improve the content of the curricula in order to adapt them to the new skills required by businesses. In October 2017, bioMérieux renewed its commitment to the school by signing an agreement formalising its partnership over the next three years.

bioMérieux has also been involved in training and, each year, offers willing candidates the opportunity to volunteer overseas for six to 24 months on an international internship program, *Volontariat International en Entreprise* (VIE).

The Company also conducted a survey in the ASPAC (China, Japan, Korea) region, with a response rate of 82%. From 2020 onward, it intends to roll out this process with a global survey.

3.5.3.5 #LifeAtbioMerieux

bioMérieux organises initiatives and events that bring employees together and offers them innovative services. This approach contributes to employee well-being by helping to open up

organisations and promote partnerships between teams. The table below sets out the highlights in 2019.

Day Idea Tank	Building on the day of participation launched in 2018, which gives all Group employees an opportunity to have their say, bioMérieux is continuing to implement and monitor the proposed actions (almost 19,000 ideas recorded). As such, the collaborative platform Enjoy&Share has introduced a third "classifieds" platform where employees can sell, donate or exchange goods and services. This module joins the two forerunners launched in 2018: home exchanges and language exchange trips for the children of employees.
Service desk	In November 2019, bioMérieux opened a multi-service desk at its Craponne, Marcy l'Étoile, Campus de l'Étoile and La Balme sites, which together make up about 85% of its employees in France, enabling its employees to save time during their working day. Some 50% of them are enrolled. This desk is funded by the Company. Access to the service is free for each employee who pays their own orders on the basis of a preferential price list.
Local organic market	At certain sites, bioMérieux offers its employees access to a farmers market promoting organic, environmentally-friendly agriculture. bioMérieux is regularly expanding the range of available products.
Family Days	bioMérieux sites regularly organise events for employees and their families. In 2019, French sites played host to over 5,700 people (employees and their families) at open days organised by each site providing an introduction to the different jobs at bioMérieux through themed workshops chaired by employees on a voluntary basis.
Health and prevention	<ul style="list-style-type: none"> Free flu vaccinations are offered to employees at the sites in France, the United States and Asia Pacific. In France, employees and their families have access to a service desk providing medical services and teleconsultation. Services include access to a physician 24 hours a day, seven days a week.
Community action by employees	<i>Entreprise des Possibles</i> : the Company is working alongside other companies in Lyon to offer assistance to the homeless and vulnerable populations (see section 3.3.4.2). Other initiatives by each of the Company's subsidiaries are implemented locally each year.



3.5.3.6 Indicators

 The indicators below show the extent to which the Company's human resources policies affect its ability to attract and retain its employees.

NUMBER OF EMPLOYEES WHO WERE PROMOTED DURING THE YEAR

Geographic areas	2019		2018		2017	
	Number of promotions	% of workforce	Number of promotions	% of headcount	Number of promotions	% of headcount
France	314	8.0%	303	7.8%	246	6.4%
EMEA	87	2.1%	26	1.9%	26	2.0%
Americas	382	7.5%	307	6.7%	209	5.1%
Asia Pacific	65	6.0%	33	2.9%	34	3.2%
TOTAL	848	7.3%	669	6.0%	515	5.0%

The percentage is calculated on the total number of employees, excluding temps and defined duration contracts.

OVERALL VOLUNTARY TURNOVER RATE

			O/w permanent contracts	O/w 3 years' service for permanent contracts
New hires = 1,998		Departures = 1,445		
Permanent contract	1,591	Voluntary	937	469
Fixed-term contract	407	Involuntary	508	106

In 2019, the voluntary turnover rate for employees on permanent contracts was 7.9% and 4.3% for employees with less than three years of service (compared with 7.5% and 4.2%, respectively, in 2018).

ABSENTEEISM

Absenteeism: Value/theoretical working days	2019 ^(d)			2018 ^(d)		
	No. of days absent	Theoretical No. of days	%	No. of days absent	Theoretical No. of days	%
Americas ^(a)	56,511	1,103,776	5.1 %	12,564	992,319	1.3%
ASPAC ^(b)	1,196	218,987	0.6 %	3,145	237,753	1.3%
China	15	77,751	0.0 %	1,756	96,213	1.8%
EMEA ^(c)	56,995	1,050,682	5.4 %	43,776	1,028,441	4.3%
France	49,758	778,825	6.4 %	35,324	776,977	4.5%

(a) Argentina, Brazil, Canada, Chile, Colombia, United States

(b) Australia, China, South Korea, India, Japan, and Singapore.

(c) Germany, Belgium, Spain, France, Italy, Poland, United Kingdom, Russia and Turkey.

(d) as of 2018, Astute's headcounts have been included, following the acquisition of the company during the year.

3.5.4 Diversity and inclusion

Given that diversity is an undeniable factor in its economic performance, bioMérieux has introduced a policy to educate its employees and managers. This diversity policy is applied in recognition of the specific local context. bioMérieux implements specific actions in terms of HR processes and monitors indicators to measure the Company's progress in this area.

3.5.4.1 Promoting gender equality

bioMérieux's policy is based on "Gender Equality Agreements" that are renegotiated every three years. Through these measures have been introduced with the objective of ensuring equal pay and working conditions. bioMérieux has defined a policy for the Board of Directors and management bodies as described in section 4.2.6.3.

The most recent agreement on gender equality was signed unanimously in October 2017 and applied to the 2018-2020 period. It builds on previous work and focuses on the introduction of tools to monitor performance indicators reviewed by an *ad hoc* committee. It focuses on training all internal parties to prevent sexist comments and behaviour,

with a gender equality training module for managers. Finally, this agreement includes specific provisions for employees undergoing fertility treatment. The Company has a non-discrimination policy whereby only the relevant skills are taken into account when assessing an internal or external application for a management position.

The Women Ready for Leadership Diversity (WoRLD) network, open to all bioMérieux women and men employees throughout the world, has been working since 2013 to promote greater gender balance in management positions along with actions carried out by the Human Resources Department. In France, in 2019, bioMérieux continued its partnership with the Alliance pour la Mixité en Entreprise (AME) (gender balance alliance), an association that includes the networks of some fifteen companies in the Auvergne-Rhône-Alpes region, enabling bioMérieux employees to attend inter-company events focused on issues of gender equality in business. Among the high points of the year were two networking events organised by the network. In addition, the WoRLD network helped organise a conference with the Healthcare Business women's Association (HBA).

GENDER EQUALITY INDEX: 88/100

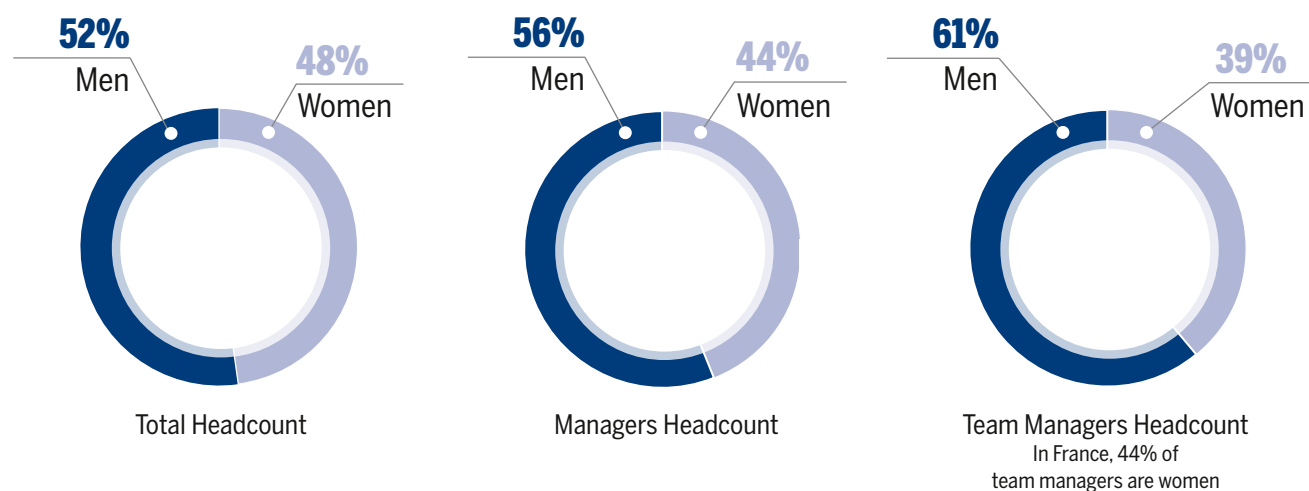
Since March 2019, French businesses have been required to publish their gender equality index so as to promote equal pay. This index is shared with their Social and Economic Committee and the Labour Inspectorate, and must be reported on the Company's website. Businesses with a score under 75 must implement corrective measures to achieve this score within a three-year period.

This index is based on the following 5 indicators:

- the gender pay gap;
- the pay increase gap;
- the promotion gap (only in companies with over 250 employees);
- the number of employees receiving a pay increase on their return from maternity leave;
- and parity in the 10 highest pay bands.

The index was published on the Company's website in March 2019 and is to be recalculated at the start of each year.

GENDER BREAKDOWN OF MANAGER AND TEAM MANAGER HEADCOUNTS



RATE OF INTERNAL PROMOTION (WOMEN/MEN)

	2019			2018		
	Number of Women promoted	% of Women promoted	Total number of promotions	Number of Women promoted	% of Women promoted	Total number of promotions
France	188	60%	314	166	55%	303
EMEA	54	62%	87	14	54%	26
Americas	148	39%	382	146	48%	307
Asia Pacific	27	42%	65	19	58%	33
TOTAL	417	49%	848	345	52%	669

3.5.4.2 Promoting the employment and integration of employees with disabilities

A Company-level agreement covering all French sites is signed every four years and was renewed in 2017. This agreement contains a direct employment commitment, all types of contracts combined, and a budget to implement the agreement, divided between the various categories according to the actions arising from its implementation.

Through this voluntary contribution in particular, the Company funds, to the tune of €257,000, a policy to hire, integrate and train people with disabilities, and wishes to raise awareness among, and offer training to the stakeholders involved in, accommodating these people. It also helps keep people in their jobs by making workplace adaptations (around 65% of the budget).

As part of its initiatives developed over many years to support persons with disabilities, "Handibio" days are organised in France. The aim is to raise awareness of disability among employees. Four such events were held in 2019: in Verniolle, where an escape game enabled many participants to experience life with a disability; in Saint Vulbas and La Balme; and in Marcy l'Étoile, where a meal in the dark was organised and met with great success.

As part of the Disability agreement and Corporate Social Responsibility, the EMEA Recruitment Department renewed the

#HandiBioRecrutement program in 2019. The aim of this program is to promote the recruitment of people with disabilities through two actions: on the one hand, raising awareness among managers of #HandiBioRecrutement to prepare them for interviewing people with disabilities; on the other hand, an annual recruitment day with the support of local partners such as Cap' Emploi, *Groupements d'Employeurs Travailleurs Handicapés* (GETH) (Associations of Young Workers with Disabilities), and the region's schools. This day resulted in a pool of candidates as well as offers of jobs, work-study placements, and internships. Close contacts were made with various schools to recruit young people with disabilities.

In France, bioMérieux's policy in this area is helping to increase the proportion of employees with disabilities, as stated in the mandatory employment of disabled persons declaration (*Déclaration obligatoire d'emploi des travailleurs handicapés* – DOETH). In 2019, the gross percentage of employees⁽¹⁾ with disabilities stood at 6.07% of the headcount compared with 5.96% in 2018.

As part of its CSR, bioMérieux is also working with businesses in the sector to enable people with disabilities to gain employment in an adapted environment.

(1) The gross percentage of employees is a regulatory indicator that receives supplements based on the percentage of employees with disabilities

BREAKDOWN OF EMPLOYEES WITH DISABILITIES

Geographic areas	% employees with disabilities/2019 headcount	% employees with disabilities/2018 headcount
France	4.8%	4.5%
EMEA (excl. France)	1.2%	1.1%
Americas	2.1%	2.1%
Asia Pacific	0.0%	0.2%

3.5.5 Employee Health and Safety**3.5.5.1 Health and Safety policy and organisation**

The Health and Safety initiative is part of a global Health, Safety and Environment (HSE) policy signed by the Company's General Management, which covers all activities of the value chain.

The HSE Department operates at Group level, in order to develop a harmonised and proactive approach aimed at preventing risks to individuals, property, and the environment. This department reports to the Manufacturing & Supply Chain director, a member of the Company's Executive Committee. The guidelines and policy are discussed at quarterly HSE Committees, attended by the Chairman and Chief Executive Officer, certain Executive Committee members, and business line experts.

A network of HSE facilitators is in place at each site and subsidiary:

- for each site, an HSE manager reports to the site manager. This function can be supplemented by other people (HSE engineers, HSE technicians) depending on the site's size and risks;
- for each subsidiary, an HSE representative is appointed and is in charge of managing the process.

An HSE management system is in place within each site, focusing on continuous improvement by following the PDCA (Plan-Do-Check-Act) principle.



2020 Target: OHSAS 18001 certification for the main bio-industrial sites.

As of the end of 2019, 9 sites were OHSAS 18001 certified (Marcy l'Étoile, Craonne, La Balme, Saint-Vulbas, Madrid, Florence, Combourg, Grenoble, and Verniolle), i.e. 100% of European sites and around 2/3 of the Group's bio-industrial sites (see section 1.7.2)

The sites at Durham, St. Louis, and Lombard in the United States, and at Rio de Janeiro in Brazil, are applying for this certification in 2020, which would bring the percentage of main sites covered to 93%.

3.5.5.2 Evaluation, prevention and management of occupational hazards

The Company measures its rate of occupational accidents and occupational diseases across all its activities. These events are taken into account when ranking the areas for improvement over time and reducing the number of accidents (See Vision 2020, Section 3.7.1 "Summary Table").



2020 Objective: 30% reduction in the frequency rate of lost-time occupational accidents, i.e. a rate of 1.3 or under.
2019 Result: -3% compared with 2015 (frequency rate of 1.8)

bioMérieux has a "toolbox" for managing health and safety at work which incorporates a number of processes and tools rolled out worldwide, such as:

- a reporting tool for hazardous situations and suggestions for improvements (about 5,000 cases reported annually by all employees);
- risk assessment at each workstation and regular updates;
- inspections and audits of activities to verify the adequacy of preventive measures;
- campaigns to raise awareness of the various risks, under the "Proud to be a daily hero" banner, to empower employees to take safety actions (e.g. falling in the stairs, falling on slippery surfaces, slip-and-fall accidents);
- bioMérieux is rolling out a program of specific courses:
 - each new arrival is given HSE training appropriate to the site and their activities,
 - all employees with a specific activity must take the courses resulting in a qualification (electricians, forklift operator, hot work, working at height),
 - some employees take the HSE and ISO 14001/OHSAS 18001 internal auditor training,
 - other training may be provided on a case-by-case basis (transporting hazardous goods, biohazards, chemical hazards, warming up before physical activity, fire safety officers, workplace first aid and lifesaving officers, etc.).

In 2019, bioMérieux offered an online road safety course across all of its sites and subsidiaries. This course is taken by around 2,000 employees worldwide. The aim of this course is to raise awareness among employees and improve their perception of road risk. Every month, employees log in and take a module that lasts a few minutes and is tailored to the conditions of the country where they are based, on a driving-related theme.

3.5.5.3 Well-being at work and promotion of healthy living

The Company integrates the prevention of psychosocial risks for its employees into its occupational hazards assessment process, and benefits, mainly in Europe, from many experiences and actions in their prevention and analysis. In France, for example, an occupational health agreement has been signed with union representatives (see section 3.5.1).

In addition to the prevention of occupational risks, the Company also takes its employees' health into account:

- all Group employees benefit from health insurance coverage (public, private, or both);
- the sites promote sporting activity through the provision of sports facilities or subsidies for gym memberships;
- the Company covers the cost of a seasonal influenza vaccination for its employees on most sites;
- in France, employees and their families have access to a service desk providing medical services and teleconsultation. Services include access to a physician 24 hours a day, seven days a week;

- the Company has rolled out a healthcare and health education pilot program at its North American sites, in the form of health days. These initiatives are deployed mainly through a medical centre dedicated to employees and their families in St. Louis. In this way, employees who so wish benefit from medical check-ups, early cancer screening and medical or nutritional advice given by professionals. The confidentiality of medical data is strictly observed, and the Company does not have access to personal data;
- the St. Louis and Durham sites have introduced initiatives to raise awareness among employees and their families of top public health priorities. The bioMérieux Live Well Centre provides primary healthcare services to the site's 800 employees and their families. Furthermore, a digital weight-loss program, Real Appeal, is available to employees;
- in the United States, paternity and maternity leave have been extended to two and 12 weeks, respectively.

The Company has organised a series of conferences on the theme of psychosocial risks (PSR) at a number of sites in France. These lectures, led by a specialised teacher-trainer doctor, are part of a reflection on prevention and the improvement of the quality of life of employees. Moreover, internal training has been expanded with a new one-day module entitled, "How to avoid burnout and to keep an eye on your employees", aimed at department heads. Moreover, a program for assessing PSRs is in the process of being rolled out. It is structured in five stages: creating a PSR Steering Committee; circulating a questionnaire to all employees; analysing, interpreting and reporting results; employees participating in targeted working groups on identified themes; and developing and implementing an action plan. In 2019, efforts were focussed on the last two stages in particular.

3.5.5.4 Occupational Health and Safety performance indicators

 Occupational accidents are reported and analysed each month by the Executive Committee and the information is disseminated throughout the Company.

Safety indicators ⁽¹⁾	2019	2018	2017
Frequency rate of lost-time occupational accidents	1.8	2.0	2.8
Occupational accident severity rate	0.04	0.04	0.07
Number of occupational diseases	2	11	7

(1) Refer to section 3.8 for the organisational scope covered.

3.6 Promoting a responsible and sustainable value chain

3.6.1 Sustainable and responsible procurement

The Company works with many external partners: purchases of materials and services (see section 2.2.2).


To ensure CSR continuity, bioMérieux is committed to the sustainable management of its relationship with partners. bioMérieux involves its suppliers in its continuous improvement process and its sustainable growth strategy based on environmental protection, social progress, and fundamental human rights.

bioMérieux's commitments and requirements with respect to its suppliers are described in the "Ethical and Sustainable Development Charter between bioMérieux and its suppliers". This charter, which was reviewed in 2018, highlights the crucial aspects of the Company's approach to responsible purchasing. It was signed by the Chairman and Chief Executive Officer and the Vice-President, Purchasing, and published on the Company's website (www.biomerieux.com).

Every year, bioMérieux provides specific training to purchasing teams in the implementation of this policy.

Since 2015, bioMérieux has been intensifying its efforts in favour of responsible purchasing and includes in its new contracts clauses on ethics and compliance as well as those specific to health professionals.

In terms of responsible purchasing, bioMérieux has stepped up evaluation of its suppliers by incorporating CSR criteria connected with their activities in the selection process and monitoring the CSR performance of strategic suppliers annually.

 **Moreover, in 2018 bioMérieux launched a process to assess the CSR record of its suppliers with the help of a rating agency (Ecovadis). In 2019, 109 mainly strategic suppliers were rated by Ecovadis, representing over 20% of spending on purchases.**

The minimum expected score of 45 out of 100 was exceeded by 84 suppliers. Action plans are being discussed with the 25 other suppliers that did not reach this minimum score.

The average score of bioMérieux suppliers was 56.1, while the average for Ecovadis was 42.4.

Since 2016, bioMérieux SA has used a service provider to enhance its procedures for monitoring its French suppliers, in particular in relation to the client's obligations under undeclared work regulations.

Indeed, bioMérieux has committed to a process of continuous improvement in managing its supply chain with the aim of ensuring business continuity. All raw materials are subject to a risk assessment aimed at determining the Group's exposure. Plans to secure the network, including the identification of a second source of supply are in place at each production site. They are regularly reviewed by the Executive Committee.

Furthermore, bioMérieux uses raw materials of animal origin for some of its products (for example sheep's blood and horse's blood). As such, the Company asks its suppliers to ensure animal well-being by putting in place the necessary structures, procedures and authorisations. For example:

- *Structure du Bien-Être Animal* (SBEA), which ensures that animal treatment complies with current regulations, that approved protocols are properly followed, that where these protocols are put in place they are properly adapted from the point of view of animal pain, and finally that the animals are treated in the appropriate conditions (food, care, light, pain relief);
- Ethics Committee;
- Authorisation for animal research issued by the Ministry in accordance with European regulation 2010/63.

As part of its veterinary activities, bioMérieux tests the effectiveness of its tests on animals. However, these studies are conducted *ex vivo* and do not affect the physical integrity of the animals tested.

Insofar as possible, bioMérieux strives not to use raw materials or components containing minerals that are known to prolong conflict (conflict minerals).

3.6.2 Distributors management

bioMérieux draws on a network of distributors to distribute its products. Depending on the scope of services, distributors provide services primarily in the following areas: marketing, sales, maintenance, and logistics.

bioMérieux is involved in a program of support for distributor's activities. It is aimed at optimising the service provided to end customers, whilst guaranteeing a service and service delivery quality that meets regulatory requirements and internal standards. After a robust distributor selection process, bioMérieux pays particular attention to their compliance with best practices, through the following commitments:

- training and awareness-raising in the business practices promoted by bioMérieux, as well as the Global Code of Conduct (see sections 3.4.4.1 and 3.4.4.4);
- implementation of stringent procedures for the transportation of bioMérieux products, particularly to respect the cold chain, which may ultimately affect product quality (see sections 1.5.1 and 3.3.2);
- training of distributors in the installation, use and maintenance of instruments aimed at ensuring the quality of diagnostics performed by customers;
- support for the implementation of vigilance procedures and customer complaint management (See sections 1.5.2.1 and 1.5.3);
- medical education aimed at promoting the value of bioMérieux products.

The Company uses a process of continuous improvement with regard to its distributors and, as such, is fostering a lasting and sustainable relationship with healthcare professionals and manufacturers.

The Company is currently revising the general process for selecting, assisting, and monitoring its distributors, as well as related indicators.

3.7 Limiting our impact on the environment and climate change

3.7.1 Governance and policy

With a view to managing environmental risks and minimising its environmental footprint (see section 2.2.6), bioMérieux assesses its impacts on the environment (soil, water, air, noise, smells, energy, waste, etc.). The Company's initiatives are part of a circular economy approach based on non-wasteful and responsible use of natural resources and primary raw materials.

Environmental management is based on the principle of continuous improvement and includes planning environmental objectives, rolling out an action plan, an organisation empowering employee responsibility, the system of monitoring and measuring (indicators, inspections, audits) and the reviewing the achievement of objectives.

bioMérieux has introduced an Environmental, Health and Safety Management System. It covers the design, manufacture and maintenance of instruments and software, the design and manufacture of reagents enabling *in vitro* diagnostic test, on bio-industrial sites, R&D centres and subsidiaries worldwide. This management system has been rolled out within each site and is based on continuous improvement following the PDCA principle (Plan-Do-Check-Act).

In accordance with this policy, bioMérieux has set out its objectives in the "Vision 2020 Health, safety and the Environment" program. A new, more ambitious plan is currently being drawn up for the coming years, in accordance with international principles. The following targets have been set:

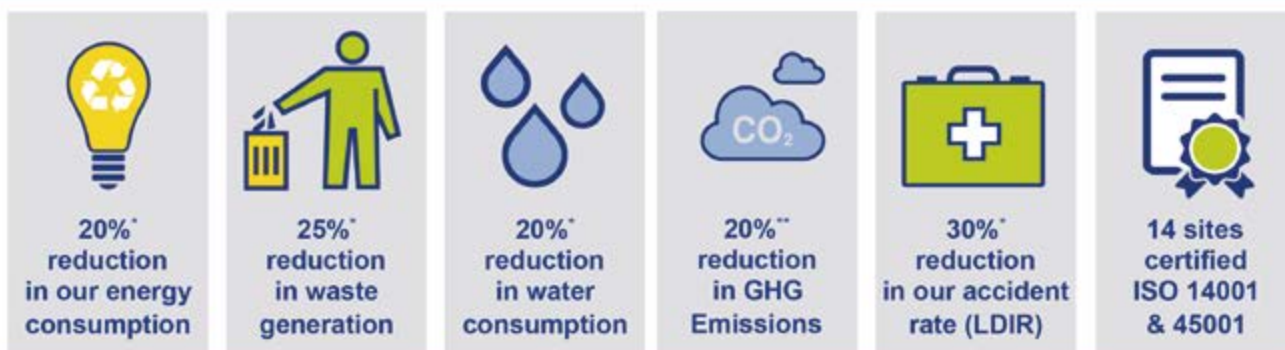
- improving environmental performance;
- assessing the environmental impact of products and the materials associated with them at every stage of their life cycle, in order to take into account current best practice and support an ambitious improvement plan;
- expanding the commitment to subsidiaries and sites, as well as to Group employees, in order to ensure the program's success;
- introducing bioMérieux's HSE standards into its relationship with suppliers, and supporting its implementation among logistics providers;
- putting tools in place for employees to gather information, suggest improvements, and efficiently implement the HSE policy (see section 3.5.5.1).

3



2020 HSE VISION

2020 TARGETS



2015 Baseline

ENERGY 106 MWh/M€	WASTE 5,5 T/M€	WATER 302 M ³ /M€	CO2 34 T/M€	LDIR 1.9	CERTIFIED SITES 6
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2019 Performance vs. 2015

84 MWh/M€	3,6 T/M€	246 M ³ /M€	26 T/M€	1.8	9
-20%	-35%	-19%	-26%	-3%	64%

* From 2016 to 2020 – 2015 baseline
** over Scope 1 & Scope 2

For the rollout of this policy, the Company offers a number of training courses on environmental protection:

- at the arrival of every new employee;
- for the deployment of the environmental management system on the sites, in accordance with ISO 14001: raising awareness of environmental impacts and best practices in prevention, and training in internal environmental auditing;
- for the projects to reduce waste and energy consumption: *ad hoc* training in the relevant functions (production operators, packaging teams) to reduce unwarranted product scrap (see section 3.7.3.3).

The Health, Safety and Environment (HSE) Department drafts, supports and monitors the implementation of environmental policy. This is approved and overseen by the HSE Committee (see section 3.5.5.1). Its implementation is the responsibility of each entity which is responsible for ensuring that the environmental consequences of bioMérieux's activities are managed.

The HSE Department also monitors all regulatory requirements in this area (at the international, national and local levels) and develops and implements processes and procedures to guarantee their compliance with these requirements. In particular, it monitors and ensures compliance with specific regulations concerning hazardous substances (REACH, Biocides, GHS, CLP and ROHS regulations).

It is also involved in managing the risk of breakdowns in production and the supply chain. The procedures and processes are devised and implemented in order to identify major risks and to manage them through business continuity plans.

In case of new investment projects (extensions, new sites, increase in production capacity, etc.), a preliminary analysis of environmental impact is conducted. For new constructions, detailed guidelines are provided in the document entitled "HSE requirements for new constructions and major renovations".

3.7.2 Eco-design of products

Eco-design involves incorporating environmental criteria from the product (or service) design stage. The aim is to reduce its impact and increase its performance throughout its life-cycle. This approach balances environmental, technical, economic and social requirements.

The product life-cycle refers to all the stages necessary for its production (extraction of raw materials, transport, processing, manufacture of raw materials and parts, product manufacture), its distribution, its use and end of life. Performance evaluation must be based on a multi-criteria approach and cover the categories of damages that are the most representative of the product or service under evaluation (health, climate change, resources and ecosystems).

The Company's commitment to eco-design was reaffirmed by the HSE Committee in 2019. An ambitious program is being developed with the R&D and HSE Departments to improve the environmental performance of the Company's products.

 **The first Life Cycle Analysis (LCA) was conducted by VIDAS® and its reagents using a methodology in accordance with international standards ISO 14040 et 14044. The analysis highlighted that:**


- the distribution of VIDAS® reagents to customers, and the customers' use of the instrument, are the two stages in the lifecycle that make the biggest contribution to the environmental footprint of the VIDAS® product;
- the product's life-cycle has an environmental impact, mainly related to global warming and eutrophication.

As such, the Company has confirmed that the modes of transport it chooses for its products is important for improving their global footprint (see Section 3.7.3.2). Moreover, on the basis of this analysis, bioMérieux is continuing to roll out LCA to its main product lines.

3


3.7.3 Impact of climate change on environmental performance and compliance

3.7.3.1 Certifications

 **At the end of 2019, 9 sites were ISO 14001:2015 certified (Marcy l'Étoile, Craponne, La Balme, Saint-Vulbas, Tres Cantos, Florence, Combourg, Grenoble, and Verniole). The Durham, St. Louis, and Lombard sites in the United States, and Rio de Janeiro in Brazil, are applying for this certification in 2020, which would bring the percentage of main sites covered to 93%. This certification list also includes two commercial subsidiaries (bioMérieux Spain and bioMérieux Italy).**

3.7.3.2 Greenhouse gas emissions

The Company has carried out Group-wide annual assessments of greenhouse gas emissions since 2013. Its international transport and logistics contracts contain requirements on greenhouse gas emissions generated by the services provided by its contractors, as well as recommendations to reduce their environmental impact. Since 2017, it has been involved in the CDP (Carbon Disclosure Project) and uses the results to structure its approach to climate change.

 **2020 Objective: 20% reduction in the intensity of direct greenhouse gas emissions (Scope 1) and those from energy purchases (Scope 2) compared to 2015.**

2019 Result: -26% (68,200 tCO₂e)

As part of the HSE policy and vision, bioMérieux has introduced initiatives to reduce its carbon footprint.

Introduction of multi-modal transport: the Company is committed to increasing sea transport to 20% of air transport by 2020. Its actions have enabled it to significantly exceed this objective, since at the end of 2019, sea transport already represented 34% of the total, compared with 15% in 2018.

Business Travel: the Company is pursuing an active policy of reducing and optimising travel. It has been deploying an inter-site "telepresence" infrastructure so meetings can be conducted via videoconference in conditions similar to those of actual meetings. The main sites have been equipped since end-2016.

Car fleet: employees with a Company car are offered a range of hybrid vehicles. Furthermore, since 2018, the Company has been promoting this range by awarding an additional budget.

Remote maintenance and updating of instruments: the development of the VILINK™ IT solution, providing bioMérieux customers with remote incident resolution, maintenance, and update services, continued in 2018. Thanks to a fast and secure connection, this solution helps limit travel by engineers in the field and increases the speed of problem solving for customers.

Carbon offsetting: since October 2018, bioMérieux, in partnership with its natural gas supplier in France, has been offsetting all emissions from the consumption of this energy. As such, bioMérieux is helping fund projects to reduce CO₂ emissions in developing countries.

Commuting: bioMérieux promotes car-pooling and the use of public transport wherever possible, by paying subsidies to employees. The Marcy l'Étoile and Craponne (France) sites have been members of the Greater Lyon regional carpooling platform for several years. Similar arrangements are in place in the Company's other sites and

subsidiaries. For a number of years the Company has had a remote working policy which helps to reduce commuting.

Car fleet: employees with a Company car are offered a range of hybrid vehicles. Furthermore, since 2018, the Company has been promoting this range by awarding an additional budget.

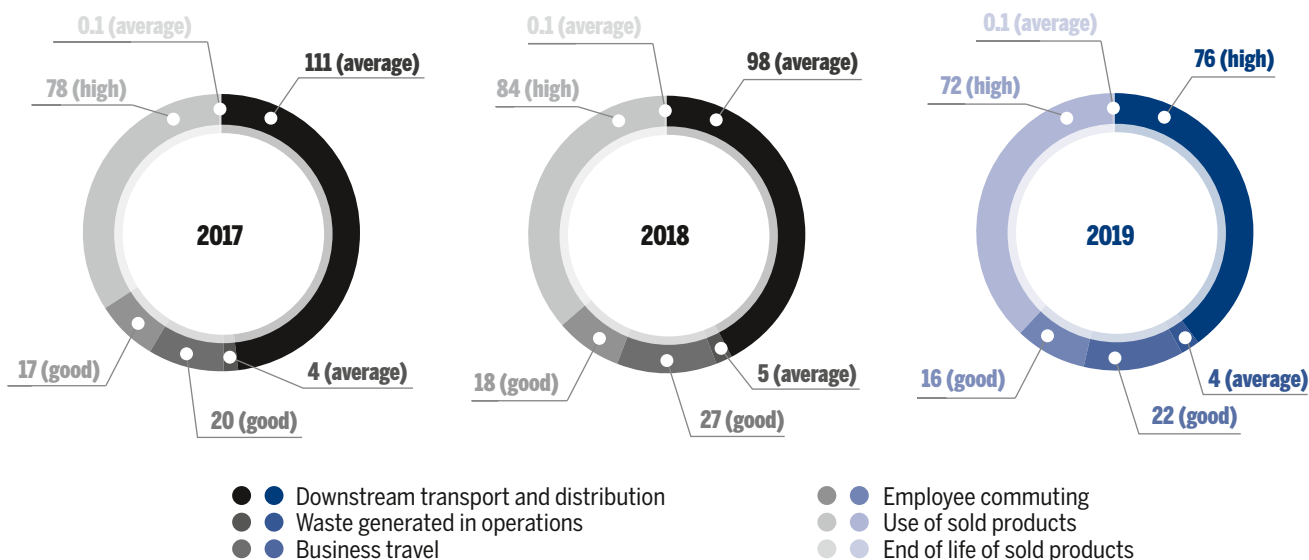
The emissions categories assessed include Scopes 1, 2 and 3 of the GreenHouse Gas (GHG) Protocol, as described in section 3.8.3. The assessment, conducted every year, covers the consolidated data from the previous year; as such, 2019 covers the 2018 data.

 **GHG emissions as calculated for each of the three scopes on the consolidation scope, expanded to include the Company's entire value chain, are the following:**

Scope	Significant emissions categories	2019 emissions in thousands of tCO ₂ e (± uncertainty)	2018 emissions in thousands of tCO ₂ e (± uncertainty)	2017 emissions in thousands of tCO ₂ e (± uncertainty)
Scope 1	Direct emissions (Scope 1)	32 (good)	31 (good)	30 (good)
Scope 2	Energy purchases (Scope 2)	37 (good)	35 (good)	40 (good)
Scope 3*		192 (average)	231 (average)	231 (average)

- * The following Scope 3 elements are not measured: "purchased goods and services", "upstream transportation and distribution", and "capital goods"
- Definition of uncertainties:
 - Good: uncertainty < ±20%
 - Average: ±20% < uncertainty < ±50%
 - High: uncertainty > ±50%

Details of emissions calculated for Scope 3 (in thousands of tCO₂e and uncertainty) is represented in the chart below:



The reduction of emissions on downstream transport and distribution of goods is explained by the transfer of air transport toward more sea transport (nearly 4,000 tons).

3.7.3.3 Waste management

The Company is committed to optimising waste management, sorting waste at source and developing channels to recover and recycle materials and energy. As for hazardous waste, which is primarily made up of waste contaminated by chemical or biological agents connected with production or laboratory activities, the Company has implemented a strict policy of sorting at source and disposal by companies licensed to process such waste in an appropriate manner. All of the Company's sites have waste storage facilities.

 **2020 Target: 25% reduction in waste generation compared to 2015.**

2019 Result: -35% (9,500 tons)

As part of its continuous improvement, bioMérieux has introduced initiatives to improve its waste management.

Waste reduction: the Company strives to optimise the quantity of materials used for packaging (wood, paper, cardboard, and plastic). For example, the switch from printed to electronic format for instruction notices for reagents has made it possible to reduce the size of secondary packaging.

Waste recovery: the Company is striving to increase the proportion of recycled, composted, regenerated or incinerated waste from which

energy can be recovered. The Marcy l'Étoile, Grenoble, Combourg, La Balme and Saint-Vulbas sites in France, and the subsidiaries in the United Kingdom and Germany are all "zero-landfill" sites. Furthermore, organic waste at the Corporate restaurants in Marcy l'Étoile, Durham, Craponne and La Balme is sorted and sent to a composting facility.

Sorting and recycling guides are available to employees. The Company raises awareness among employees of best practices in waste management at events such as the National Sustainable Development Week in France.

Food waste: the Company contracts with a food services provider for the management of its Corporate restaurants, in particular for its sites in La Balme, Craponne and Marcy l'Étoile (France). As part of the fight against food waste, bioMérieux and its subcontractor periodically undertake an analysis of thrown-out food in order to assess its origins and reduce the phenomenon.

World Cleanup Day

On this day, in 15 countries around the world, Company employees and their families voluntarily joined in with local initiatives to clean up rubbish in the outdoors.

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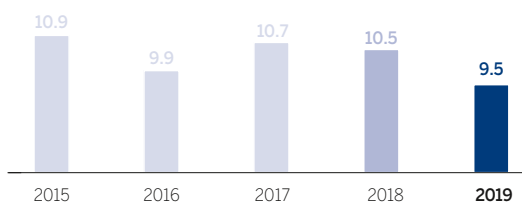
Total quantity of waste generated, of which hazardous waste

GROSS INDICATORS

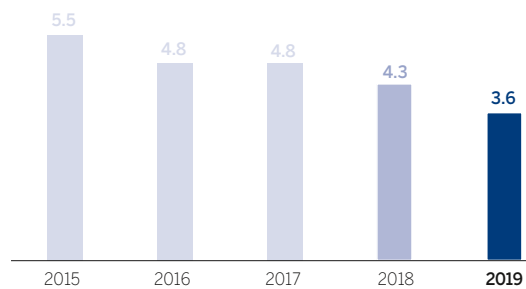
INDICATORS IN RELATION TO SALES IN EUROS

TOTAL AMOUNT OF WASTE GENERATED

Waste.
Estimate in thousands of metric tons.

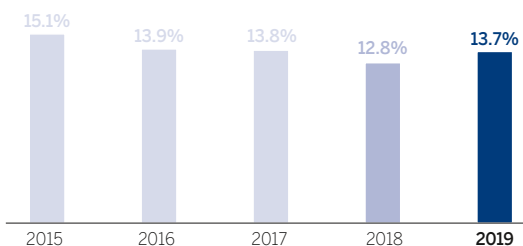


Waste in relation to sales.
metric tons per million euros of sales.



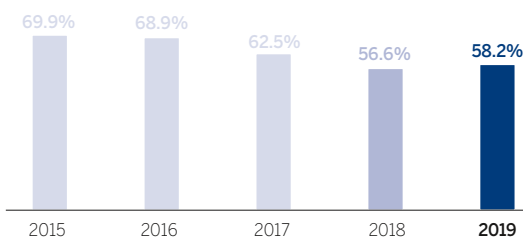
OF WHICH HAZARDOUS WASTE

Percentage of hazardous waste.



PERCENTAGE OF WASTE RECYCLED OR INCINERATED WITH ENERGY RECOVERY OR COMPOSTED

Percentage of recycled waste or incinerated waste with energy recovery or composted.



3.7.3.4 Water management

Water is used by the Company in formulating its products. Water is also used in refrigerating facilities, such as cold storage rooms, in controlled atmosphere areas and as a coolant in the manufacturing process. For this type of use, the Company prioritises closed-circuit systems.



2020 Target: 20% reduction in water consumption compared to 2015.

2019 Result: -19% (658,000 m³)

bioMérieux uses the local water supply for the water needs of its manufacturing sites. bioMérieux does not directly extract water from the natural environment, except for the cooling requirements of its logistics platform located in Saint-Vulbas (France). At this site, a heat exchanger makes it possible to use the temperature difference with

the local groundwater for cooling purposes. Water extracted from the groundwater is discharged after heat exchange, and has no direct contact with process water. Official authorisation is required to use the groundwater in this way.

The Company is not subject to any specific local restrictions on water supply on a permanent basis. As regards possible seasonal restrictions, bioMérieux strives to comply with specific guidelines issued by local authorities in the event of drought (for example, limiting water use for lawn care).

bioMérieux's initiatives to reduce water consumption at its industrial sites involve the optimisation of its manufacturing processes (reviewing water requirements and replacing old equipment with more efficient equipment or less wasteful technologies).

Water consumption is monitored on a regular basis, and steps are taken to reduce it.

3.7.3.5 Energy management

In order to improve energy efficiency, the Company implements an energy optimisation and saving program. Prior to constructing or refurbishing buildings, simulations are performed to measure their energy efficiency (e.g. lighting, heating, ventilation, and summer climate control). Efforts are made to find ways of reducing energy consumption to a low or very low level through systems that are researched, promoted and gradually applied.

 **2020 Target: 20% reduction in energy intensity compared to 2015.**

2019 Result: -20% (225,000 MWh)

Renewable energy: even where no target has been set, the Company promotes the use of renewable resources for its energy supply, in areas of the world that offer acceptable alternatives:

- since January 1, 2018, all of bioMérieux's French sites have received 50% of their electricity supply from certified "green" sources, and that rate is 100% for the Florence (Italy) and Madrid (Spain) sites;
- the Company's Swiss, Austrian, Brazilian and Canadian subsidiaries use 100% hydropower, and the Colombian subsidiary uses 90% hydropower.

New eco-construction standards: the new buildings for tertiary activities of significant size are subject to HQE (La Balme, Craponne), LEED (St. Louis) or BREEAM (Marcy l'Étoile) environmental certification.

Energy audits: a second audit of the Combourg, Craponne, Marcy l'Étoile, La Balme, and Saint-Vulbas sites was conducted in 2019, after an initial session in 2015. The findings are currently being analysed and will be used to determine the future direction of energy management systems. The Durham and St. Louis sites were audited for the first time in 2018 and 2019, respectively.

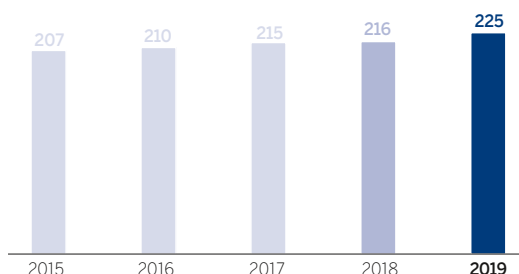
 **Total energy consumption and percentage of energy consumption from renewable sources**

GROSS INDICATORS

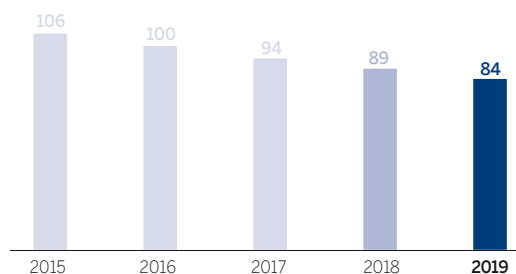
INDICATORS IN RELATION TO SALES IN EUROS

TOTAL ENERGY CONSUMPTION

Total energy consumption.
In GWh.

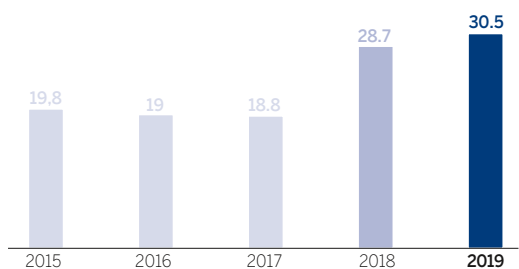


Total energy consumption in relation to sales.
MWh per million euros of sales.

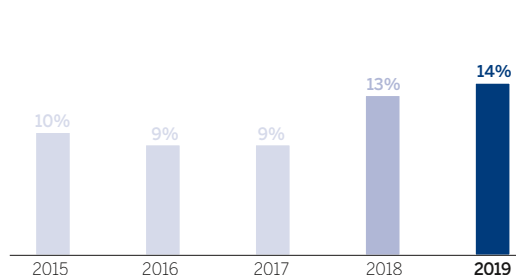


CONSUMPTION OF ENERGY FROM RENEWABLE SOURCES

Consumption of energy from renewable sources.
MWh per million euros of sales.



Percentage of consumption of energy from renewable sources.



3.7.4 Spread of new epidemics as a result of global warming

The effect of global warming on risks of epidemics is a complex issue at the heart of scientific thinking on how to anticipate the risks of future epidemics. In 2019, a consensus statement drafted by some 33 scientists from nine countries was published in *Nature Reviews Microbiology* to raise awareness of the issue and call for research on micro-organisms to be increasingly incorporated in the fight against climate change.

One of the first consequences of global warming is the proliferation of mosquitoes, which increase in number as a result of effects of heat and humidity. With higher temperatures and stretches of stagnant water following flooding, they proliferate and spread viral diseases such as malaria and dengue fever through their bites. Cases of these

viral diseases have already been recorded in new geographical regions, such as the case of chikungunya in the south of France.

Another possible consequence is related to flooding, which worsens hygiene conditions in regions affected by extreme climate events (typhoons and cyclones). Contamination of drinking water sources is causing the re-emergence of cases of cholera and typhoid.

In this context, bioMérieux's remit is to provide health authorities, healthcare professionals, and patients with new tests for quickly and easily diagnosing these diseases. For example, bioMérieux is currently developing new tests for its automated VIDAS® system, to detect infections linked to arboviruses (dengue and chikungunya).

3.8 Scope and reporting of non-financial indicators

3.8.1 Calculation scope of quantified indicators

The scope corresponds to the bioMérieux Group, with the exception of Hybiome, across the human resources scope.

3.8.2 Data collection and consolidation

Health and Safety data are collected on a monthly basis, and environmental data on a quarterly basis, from HSE representatives in the Company's entities. Data are consolidated by the Group HSE team.

With regard to occupational Health and Safety, all consolidated data comply with regulations for recording occupational accidents and diseases for each country in question.

Reporting covers all entities with 20 or more full-time equivalent employees. A total of 23 full-time equivalent employees are not covered.

Human resources data is collected at year end through the information system used by all Group entities, except for absenteeism data, which are consolidated on the basis of information managed locally.

Environmental data is collected by quarterly campaigns managed by a dedicated computing system. In 2019, these campaigns were deployed among the following:

- 100% of the production or research and development entities;
- The commercial subsidiaries of the following countries: United States, Brazil, Spain, Italy, France, China and Australia, these large subsidiaries benefit from dedicated personnel qualified in health, safety and environmental matters.

The other commercial subsidiaries, however, were subject to the same environmental data collection campaigns from 2014 to 2018, and it has been established that their contribution to the environmental footprint of the company was limited to:

- 3.5% in waste production;
- 2.5% in energy consumption;
- and 1.6% in water consumption.

For the year 2019, the decision was made to consolidate these entities in the consolidation scope by reporting the same data as those collected in 2018, for the following reasons:

- these commercial subsidiaries often employ few employees, and have stable activity;
- they do not have any dedicated HSE staff, and the Group prefers to prioritise the first Health & Safety program specific to the commercial activities launched in 2019 (in particular, road safety and biosafety).

bioMérieux will focus on deploying a new collection campaign across all the entities, every five years, in order to re-evaluate their contribution in more detail.

3.8.3 Definition and method of calculating the indicators

Human resources

- Employees on the payroll, new hires, and departures: permanent and temporary employees (excluding interns, international volunteers (VIE), and agency staff).
- Training: all training hours recorded and delivered in the training management system used by all Group entities, whether via e-learning or classroom-based.
- Promotions: for an employee still employed by the Company at December 31 of year N, identification of career changes involving a change in level together with related reason, compared to December 31 of year N-1.

- Absenteeism: number of days' absence (excluding maternity leave, paternity leave and leave related to length of service) divided by the theoretical number of working days (excluding weekends, public holidays, paid vacation, and workweek reduction time) and multiplied by the average annual FTEs. Only entities with more than 50 FTEs are considered.

Health and Safety

- Number of lost-time occupational accidents: number of accidents occurring in the workplace and resulting in more than one day's lost time (the day on which the accident occurs is not counted as lost time). The number of accidents includes those involving both permanent and temporary employees.
- Accidents are categorised as follows: lost-time occupational accident, occupational accident without lost time, and non-reportable accident. The last category was created in 2017 to better standardise the way accidents are recorded across different countries, and includes accidents that bioMérieux considers it has no means of preventing (e.g. injury during team activity off work premises or during personal activities carried out on work premises, sickness unrelated to work, food poisoning, etc.).
- Number of days lost: number of days lost following a lost-time occupational accident that occurred during the year. The day of the accident's occurrence is not counted as lost time. The extension to work stoppage days is counted in the month and the year the accident occurred.
- Frequency rate of lost-time occupational accidents: number of occupational accidents with lost time per million hours worked.
- Frequency of total reportable occupational accidents: number of occupational accidents with or without lost time per million hours worked.
- Severity rate: number of days off work per thousand hours worked.
- Number of occupational diseases: an occupational disease is the result of exposure, of any duration, to a risk existing in the normal practice of the occupation.

Environment

Data for previous years may be modified following adjustments.

Water-related indicators:

- water consumption (thousand m³);
- the performance indicator monitored is the total water consumption of the Company's entities in cubic meters in relation to the Company's sales (in m³ per €million);
- discharge of industrial effluents (thousand m³).

Indicators relating to energy:

- total energy consumption (GWh);
- consumption of energy from renewable sources (GWh);
- the performance indicator monitored is the total energy consumption (from all energy sources) of the Company's various entities in relation to the Company's sales (in MWh per €million).

Waste-related indicators:

- total quantity of waste produced (metric tons): one-off waste such as inert waste, construction/demolition waste, and waste from contaminated soil is excluded from the scope;
- hazardous waste: total amount of hazardous waste produced (metric tons). Hazardous waste is waste with one or more properties that poses a threat to human health or the environment, and requires special processing. This category includes chemical waste, infectious waste, or waste electrical and electronic equipment;
- recovery of materials or energy: the performance indicator monitored is the ratio, expressed as a percentage, of the total weight of waste composted, recycled or incinerated with energy recovery to the total weight of waste.

Indicators relating to greenhouse gas emissions:

- greenhouse gas emissions are assessed using GreenHouse Gas Protocol and Bilan Carbone® methodologies.



The following indicators are assessed:

Scope	Type	Input data	Emission factors
Scope 1	Direct emissions from fixed combustion sources	Fossil fuel consumption collected via environmental reporting	GHG Protocol
	Direct emissions from mobile sources equipped with a thermal combustion engine	CO ₂ data collected from our suppliers	N/A
	Fugitive direct emissions	Cooling gas emissions after accidental leak. These data are collected via environmental reporting	IPCC 2016, others
Scope 2	Indirect emissions related to electricity consumption	Electricity consumption collected via environmental reporting	ADEME
	Indirect emissions related to the use of steam, heat or cooling	Heated water consumption collected via environmental reporting	ADEME
Scope 3	Commuting	Calculation of average distances by site	ADEME
	Business travel	CO ₂ data collected from our suppliers	N/A
	Car rentals	CO ₂ data collected from our suppliers	N/A
	Global freight	CO ₂ data collected from our suppliers	N/A
	Local freight	CO ₂ or mass x distance result collected from our suppliers depending on the transport type (air, road, sea)	Air: GHG Protocol Road: ADEME Sea: GHG Protocol
	Product use	Average energy consumption of equipment	ADEME
	End of product life		

Uncertainties are calculated as follows:

- uncertainty on input data: assessment based on experience and practice;
- uncertainty on the emission factor: take the value provided for the protocol used on the factor.

3.9 Report by the independent third party on the consolidated statement of non-financial performance

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting,

In our capacity as an independent third party certified by COFRAC under number 3-1681 (scope of accreditation available at www.cofrac.fr) and member of the network of one of the Statutory Auditors of your Company (hereinafter the "entity"), we hereby report to you on the consolidated statement of non-financial performance (hereinafter the "Statement") for the year ended December 31, 2019, as presented in the management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de Commerce*).

Responsibility of the entity

The Board of Directors is responsible for preparing a Statement that complies with the legal and regulatory provisions, including presenting a business model, describing the principal non-financial risks, presenting the policies applied in response to the risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereinafter the "Guidelines"), whose main features are presented in the Statement (or available on request at the Company's registered office).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics governing the audit profession. We have also implemented a quality control system comprising documented policies and procedures to ensure compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to provide a duly reasoned opinion expressing limited assurance on:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided pursuant to the third paragraph of part I and II of Article R. 225-105 of the French Commercial Code, namely, the results of policies, including key performance indicators, and actions, in relation to the principal risks, hereinafter the "Information".

It is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular, on the vigilance plan and the fight against corruption and tax evasion, nor on the compliance of the products and services with applicable regulations.

Nature and scope of our work

Our work, described hereinafter, was carried out in compliance with the requirements of Articles A. 225-1 et seq. of the French Commercial Code, with the professional standards applicable in France relating to this intervention, and international standard ISAE 3000:

- we reviewed all of the entities included in the scope of consolidation and the presentation of the principal risks;
- we assessed the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, taking good industry practice into account when necessary;
- we ensured that the Statement covers each category of information stipulated in part III of Article L. 225-102-1 on social and environmental information, respect for human rights and combating corruption and tax evasion;
- we checked to make sure that the Statement presents the information specified in Part II of Article R. 225-105 when relevant with respect to the principal risks, and includes, as necessary, an explanation of the reasons for the absence of the information required by the second sub-paragraph of Part III of Article L. 225-102-1;
- we ensured that the Statement presents the business model and a description of the principal risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, policies, actions, and results, including key performance indicators applicable to the relevant risks;
- we consulted with the documentary sources and conducted interviews in order to:
 - assess the process of selection and approval of the main risks as well as the consistency of the results, including the key performance indicators used, with respect to the principal risks and policies presented; and
 - corroborate the qualitative information (actions and results) that we considered most important, presented in Appendix 1. For some risks (business ethics, distributor management, responsible purchasing, and regulatory compliance of products), our work was carried out at the level of the consolidating entity. For the other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed hereinafter: bioMérieux S.A. France (Combourg), bioMérieux Inc. USA (Durham), et bioMérieux España (Tres Cantos);

- we verified that the Statement covers the consolidated scope, namely, all of the entities included in the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Statement;
- we assessed the internal control and risk management procedures put in place by the entity, and we assessed the collection process aiming for the exhaustiveness and accuracy of the Information;
- for the key performance indicators and other quantitative results that we considered most significant, as presented in Appendix 1; we employed:
 - analytical procedures to verify that the data collected was consolidated correctly and the consistency of any changes;
 - detailed tests based on samples, to ensure that definitions and procedures were applied correctly and to reconcile the data in the supporting documents. This work was carried out on a selection of contributing entities listed below, covering between 13% and 32% of the consolidated data selected for these tests (13% of the workforce, 32% of energy consumption);
- we assessed the consistency of the Statement as a whole in relation to our knowledge of all of the entities included within the consolidation scope.

We believe that the work that we have performed in exercising our professional judgement allows us to provide a conclusion of limited assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work involved the skills of four people between October 2019 and February 2020 over a total period of activity of approximately five weeks.

We conducted approximately 10 interviews with the people responsible for preparing the Statement, representing the Quality, Risk Management, Compliance, Human Resources, Health and Safety, Environment, and Purchasing Departments.

Conclusion

Based on our work, no material irregularities came to light questioning the compliance of the statement of non-financial performance with the applicable regulatory provisions or questioning that the Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris-La Défense, February 24, 2020

The independent third party

EY & Associés

Jean-François Bélorgey
Partner

Eric Duvaud
Partner, Sustainable Development