

### Sustainability Report 2022



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# INTRODUCTOR

#### **About this report**

Welcome to the 2<sup>nd</sup> edition of our sustainability report.

As a company, IONISOS is an active part of an economic system, a key member of the medical value chain and a crosslinking service provider. Our operations involve interactions with a multitude of stakeholders, from our suppliers and our clients through to our employees, the authorities that regulate our activities, our investors, the environment and society at large. We operate in strongly growing markets, treating products that have very long lifecycles. The long-lasting continuity of our activities is therefore essential, and we believe that building trusting relationships with our stakeholders is key to remaining a reliable business partner.

This sustainability report is an opportunity for us to inform our stakeholders of the actions we are taking to continuously improve our impact on our employees, the environment and society. You will find information on the governance we have put in place, the identification of our most material sustainability-related issues, and the approaches, policies and actions we are putting in place to address them, along with key results and figures showcasing our progress in 2022.

The structure of our report has evolved compared to last year – we have chosen to include more information for transparency and greater clarity, and also to anticipate upcoming regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD), which may apply to us in the coming years. The third-party expert UTOPIES supported our development of this report and the data it includes.

We hope you enjoy your reading!



#### **Introduction from our CEO**

As we close out another year let us look back on our progress on sustainability. Sustainability is increasingly anchored in our minds and daily undertakings. Also, we systematically include it as a consideration in our projects and when we think about the future. From being a concept, sustainability has matured more and more into a highly visible reality.

2022 was marked by important milestones. We saw the completion of our new site in Kleve, an achievement that was underscored by our continued dedication to environmentally friendly operations that comply with the strictest European environmental and worker protection standards.

In Spain, we made another sustainable stride with the implementation of solar panels that will generate around a third of the electricity consumption of our energy-intensive electron accelerator operations. This pilot project will serve as a learning experience for similar projects across the Group in the future and exemplifies our consistent pursuit of energy efficiency.

We continued to invest in people and practices. As an example, across the Group we have reinforced our approach to safety and health through numerous actions, training, communication and adding dedicated staff to promote and continuously improve health and safety. We also promoted, and trained our employees accordingly on, ethical practices in line with our commitment to the highest standards of interacting both with third parties and within IONISOS.

All these elements, fundamental to our sustainability strategy, help us ensure we are balancing our business goals with societal needs and environmental interests.

Looking ahead to the upcoming year, we remain steadfast in our commitment to advance our sustainability initiatives. We are confident in our capacity to tackle new challenges, adapt to changing circumstances, and uphold our obligations to our stakeholders, our employees, and our planet.

I would like to express my deepest appreciation to our employees. Their dedication and tireless efforts have been instrumental in achieving our sustainability goals. We are grateful for their commitment to our shared vision, and we look forward to the opportunities that the next year will bring.

#### Christoph Herkens President

# OVERVIEW OF IONISOS

#### **Our activities**

IONISOS provides industrial cold sterilization and cross-linking services to clients across Europe, thanks to our technical expertise and the dedicated work of our 242 employees.

Our activities are distributed over ten sites in four countries:



Sterilization represents 85% of our activity. Our clients are actors of the medical world such as producers of medical devices, pharmaceutical and veterinary products, or cosmetics players that need to ensure a high level of safety for their specific products, packaging, and consumables.

Cross-linking constitutes the remaining 15% of our activity. Our clients are producers of technical equipment (underfloor heating, tubes, cables, textiles, molded parts, semiconductors), that are seeking to enhance their materials' chemical and heat resistance.

To complete our mission, we use three of the world's most common technologies for industrial sterilization:

- Electron beams (or Ebeam) are ionizing rays, used to sterilize, preserve and sanitize medical devices or raw materials. Products placed on an automated conveyor pass under a beam emitted by an electron accelerator. Ebeam is also used for crosslinking, helping improve certain materials' resistance and plasticity.
- Gamma rays are ionizing rays, emitted by Cobalt 60. Products treated with this technology are automatically conveyed within an irradiation chamber, where they receive radiation in a pattern dictated by their properties.
- Ethylene oxide (EO) is an alkylating agent, mostly used for single-use medical products. Full pallets go through three successive steps (warming up and humidification, EO exposure, dynamic and / or static aeration) to ensure optimal penetration of the gas and minimum levels of remaining ethylene oxide, as defined by regulations.

Clients choose a technology based on their products' specifications (type of material, product and packaging architecture, required dose or sterility assurance level, etc.), and we assist them in this choice using our expert knowledge of materials and their reaction to treatments. Medical sterilization is an expert activity, critical for public health and strictly supervised by local and national authorities. We are proud to contribute to the preservation of public health and to help provide superior quality medical and pharmaceutical products to millions of patients and consumers worldwide.

Our security and safety processes for employees and end-users is IONISOS' top commitment, and we maintain a robust safety and quality management system to ensure we meet the highest product safety standards.

Our activities are strictly controlled by local, national, and medical authorities, which regularly audit our sites to make sure we operate to the specific standards and norms that apply. Relevant authorities also determine which technologies can be used - for instance, ethylene oxide is a 'last resort' technology for sterilization and may only be used if other technologies like heat, vapor, or rays pose a risk to the product's integrity.

We seek all essential ISO certifications for our sterilization sites, as needed to satisfy our clients' needs. We follow ISO 13485 (Quality Management System for Medical devices) on all our sterilization sites, and each site is certified for the technology it uses: gamma ray and Ebeam sites follow ISO 11137-1, 2 and 3 standards, and ethylene oxide sites follow ISO 11135 standards.



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#### 2022 highlights

The pinnacle of our accomplishments in 2022 was undoubtedly the initiation of operations at our ethylene oxide facility in Kleve, Germany. This advanced plant, dedicated to the sterilization of medical devices, has elevated our presence in the healthcare sector and set a new industry standard for excellence and precision. This pivotal development not only aligns with our commitment to innovation and high-quality standards but also strengthens our strategic position in the global medical supply chain. To respect our sustainability engagement, we use green electricity.





6 000sqm

110 000 pallets/year

3 processing lines

000

#### **DIGITIZING OUR TOOLS**

In 2022, our organization made substantial strides in the pursuit of digital transformation, significantly altering our operations' landscape across various domains.

Our foremost achievement was the successful implementation of the first phase of our Group ERP system at our Tarancón site in Spain. This change laid the groundwork for improved information flow, enhanced business processes, and better decision-making capabilities.

Additionally, we introduced our Human Resource Information System (HRIS) across our Spanish, German, and Estonian subsidiaries. This initiative served to streamline our human resource management, automate key processes, and foster a more efficient, data-driven HR

We continued the expansion of our Document Management System and Workflow tool as part of our digital transformation. This consistent deployment is allowing us to further manage, process, and store documents efficiently, promoting smoother workflows and stronger collaboration between departments and countries.

Alongside these major changes, we crafted an e-learning training module to enhance our employee training process. This digital innovation has created opportunities for our employees to upskill and share knowledge in a flexible, user-friendly format, aligned with modern learning needs.

Taken together, these transformative developments in 2022 marked significant progress in our digital journey, setting the stage for increased efficiency, enhanced productivity, and stronger interdepartmental collaboration across all our locations.



Our latest facility in Kleve, equipped with state of the art technology to minimize its environmental impact

#### **Our governance**

#### **OUR ORGANIZATION**

Founded in France in 1956, IONISOS is today a truly European actor with presence in France, Spain, Germany and Estonia.

We are organized in four operational entities (one per country) under the umbrella of one legal entity based in France, dedicated to corporate matters :



Each country entity oversees between one and six local production sites and offices.

The company is managed by an executive Management team of five Directors covering the complete functional scope and headed by the President. It oversees the performance of routine operations and steers the company in its strategy implementation. In 2022, IONISOS restructured its organization. Our new cross-functional organizational matrix, with central Functions and the Subsidiaries as local operational units in each country, allows us to deliver high quality service to our clients on a daily basis while setting the direction for our subsidiaries and supporting them through the corporate teams. Each legal entity is autonomous in its management yet operates within the functional framework and chain of command. In this way we ensure alignment across the Group and ensure results and operational performance.

#### **THE BOARD (5 PEOPLE)**

Oversees IONISOS'S strategic planning while ensuring safety and financial stability, also managing regulatory compliance and risk control.

#### CHAIRMAN

Offers advice to the Board, fostering a superior level of corporate governance. PRESIDENT

Formulates IONISOS'S strategy for the Board's evaluation and endorsement. Handles daily operations of IONISOS and carries out the execution of the Group's strategic plan.

#### **MANAGEMENT TEAM (5 PEOPLE)**

Encompasses the entire operational spectrum, supervises the execution of regular operations, and guides the company in executing its strategic plan.

IONISOS strives to be a reliable partner for our clients and suppliers. We seek to be our clients' local partner, understanding their needs, providing technical expertise and advice, and considering specific requirements in a flexible way. As with clients, we hold long lasting business relationships with our suppliers and value stability and trust. Whereas the local operational entities ensure the day-to-day relationships, the corporate organization develops and maintains the relationships with strategic suppliers and clients.



#### **OUR VALUES**

Our sustainable development strategy is guided by the values we have previously formalized.

We communicated them to employees and stakeholders throughout the year and have integrated these values into our processes and organization. For instance, we include them in all our employees' annual appraisals, asking each employee to refer to them, explain which of these values they apply in their daily activities and provide examples of relevant actions they have taken.



#### **OUR BUSINESS ETHICS**

We hold our business operations to the highest standards. Our baseline is to respect local regulations, and we have defined and deployed rigorous standards across all our activities:

#### **Anti-bribery policy**

We have a strict policy against bribery and corruption, applying to all employees and third parties associated with the company. The policy clearly defines bribery and corruption, details potential consequences and emphasizes the responsibility of individuals to comply with the policy and report any violations. It also provides guidelines regarding gifts, entertainment, hospitality, contributions, and donations.

#### Anti-tax evasion

IONISOS has a zero-tolerance approach to tax evasion and its facilitation. We expect our staff to be transparent and honest when dealing with tax authorities and we hold our third parties to the same standards.

#### Whistleblowing

IONISOS encourages whistleblowing. Employees who have knowledge or suspicion of misconduct can raise their concerns, anonymously if they prefer, with the Human Resources Director, either verbally or through the whistleblower form. The HR director, President and Compliance director will immediately investigate the reported issue while ensuring the confidentiality of the whistleblower.

#### **Trade sanctions**

IONISOS commits not to work with any partners under trade sanctions. We perform systematic checks before signing any material new contract with new partners.

#### Cybersecurity

IONISOS has become increasingly dependent on technology for the management of a significant volume and diversity of information. Our cybersecurity policy ensures that this does not lead to security issues that could threaten our data or business operations. It defines guidelines for acceptable practices and procedures that minimize the vulnerability of company and individuals' data, networks, and infrastructure to accidental or intentional attacks. It is enforced by IT Management and the Group General Data Protection Regulation (GDPR) Data Protection Officers.

#### Compliance

Once a year, we send a "Compliance confirmation form" to all IONISOS employees to make sure everyone has received, read, understood and confirmed their commitment to comply with the company's compliance policy and the law. The Company Board reviews the policies and compliance confirmations annually.

In 2022, we formalized a Code of Conduct and Business Ethics, which is now the global ethical framework for all IONISOS employees. It highlights our uncompromising willingness to act with integrity, comply with laws and regulations and operate fairly, and sets the standards and rules that we expect all IONISOS stakeholders to follow.

#### Sustainability governance

#### **AT THE STRATEGIC LEVEL**

Sustainability is a strategic issue for IONISOS, both because of our deep convictions and because it is an increasingly important issue for our stakeholders.

To reflect this importance within the senior management team, a Sustainability Director position was created in 2021. This role reports directly to the President and presents progress to the Board on sustainability KPIs during each Quarterly Business Review. Senior management therefore closely follows progress on our main KPIs:

- Greenhouse gas emissions
- Energy management
- Waste production
- Water management
- Number of employees
- Female employment in general workforce and at senior management and director positions
- Turnover rate
- Discrimination claims
- Accident frequency and severity rates
- Customer health and safety incidents.

Between 10-25% of the Management team members' compensation is indexed to improvement of these KPIs, depending on their function.

#### **AT OPERATIONAL LEVEL**

The Sustainability Director defines IONISOS'S sustainability approach and priorities and is supported by a dedicated multidisciplinary team that is fully embedded into the organization.

This team includes representatives of the operational, HR, HSE and communications functions, based on production sites or in headquarters, to ensure maximum representation, relevance, and efficiency of the adopted approach. Sustainability is a global value system for IONISOS, and our organization aims to ensure it is adopted every step of the way.

#### **AT EMPLOYEE LEVEL**

We want IONISOS employees to be active sustainability players, both in the company and in their private lives. To support this, we have implemented several initiatives.

In 2021, we launched IoniChallenge, our internal survey to ask our employees their thoughts and ideas about our sustainable actions. They offered practical actions to improve IONISOS's impact on the environment, which we are gradually rolling out.

Furthermore, we promote eco-friendly behaviors through internal communications, giving our employees tips and recommendations to apply at work and at home.

# OUR SUSTAINABILITY APPROACH

#### **Materiality matrix analysis**

In 2021, we solicited support from an external specialist company to conduct our first materiality analysis. We conducted this exercise to gather our stakeholders' expectations, assess our maturity and determine priorities in our actions. This first exercise was a simple (financial) materiality assessment; it will be reviewed in due course as a double materiality analysis to comply with European regulations (CSRD).

We wanted a comprehensive view and solicited feedback from more than 140 stakeholders whom we identified as key:



Their contributions helped us identify and analyze which sustainability issues were most important to our top management, internal and external stakeholders. We subsequently developed the IONISOS materiality matrix to identify our priority areas.



We were pleasantly surprised by the results, as we were already undertaking actions on many of the identified priority areas. This exercise also helped us identify areas where we were not as mature and to begin developing an engagement plan to improve our performance.

#### **Our sustainability approach**

Based on our materiality matrix and the actions we were already undertaking, we identified potential strategic directions and impacts on the business in the short, medium and long term. We grouped the issues that emerged from the materiality analysis into four areas for greater coherence and these became the pillars of our sustainability approach:

- Governance
- Great place to work
- Partnerships
- Planet

In 2022, we formalized a company policy organized around our key stakeholders, with clear commitments to guide our daily activities:

IONISOS LEAD-POL-001 : Company Policy V5 As an expert in sterilization, we treat products mostly from the health sector. As an expert in cross-linking, we transform plastic materials to obtain high technicality products. This dual expertise enables us to be an international industrial player satisfying the highest quality and service requests. In order to implement our Sustainability strategy, we have taken strong commitments towards our stakeholders and we strive to respect them on a daily basis. ·Create a great place ·Listen to our clients Build long-term ·Proceed with an ·Create value Reduce our of work partnerships ethical manner environmental Develop and value Ensure financial impact Work safely Secure strategic Comply with the service offering profitability Promote "green" supplies regulations Maintain our Focus on long-term Structure the actions on a daily effectiveness and contracts Promote our Communicate governance of the basis continuously improve commitment to actively and company ·Guarantee the our processes and sustainability with Manage industrial transparently quality of our service Promote the practices our suppliers projects in a Ensure regulatory company's image sustainable manner Grow skills and Increase our and normative with an production capacity Develop the foster professional compliance environmental to meet the growing company's growth development approach demand of our through acquisitions Enable internal customers or greenfields Integrate into local mobility and limit life Be innovative turnover Prevent pollution Involve employees risks ·Promote the values of the company Employees Customers **Suppliers** Authorities Shareholders Planet

As President of the Group, I am personally committed, on behalf of the entire management team, to deploy the human, technical and organizational resources necessary to meet all those commitments.

Herkens Christoph (26/11/2021) President IONISOS is committed to participating in the global effort to help achieve the Sustainable Development Goals (SDGs), adopted by the United Nations in 2015. The 17 SDGs cover the entire range of sustainable development issues and call on businesses, among other actors, to develop business models that directly address one or more of these goals.

We feel that our business and our sustainability actions contribute most directly to four of the SDGs:



#### **GOOD HEALTH AND WELL-BEING**

Alongside our clients, we are working to make the world a healthier and safer place. We are an important player as we ensure that medical devices are safe to use for all, including during the COVID-19 pandemic. Internally, we focus on safety at work to provide a safe working environment for our staff.

75% percent of our revenue is tied to the medical and pharmaceutical sectors and related products.

#### **DECENT WORK AND ECONOMIC GROWTH**

We ensure that our economic growth is sustained and can drive progress, create local jobs for all and improve living standards. We want to provide the best place to work for our employees, including training and flexible working.

46 new hires were brought on board to bolster the company's expansion in 2022.

#### **INDUSTRY, INNOVATION AND INFRASTRUCTURE**

We want to build resilient infrastructure, promote sustainable industrialization and foster innovation.

See page 9 for more information

#### **RESPONSIBLE CONSUMPTION AND PRODUCTION**

We wish to achieve sustainable consumption and production patterns by limiting our impact on the environment, reducing our waste, and integrating sustainability information into our reporting cycle. *See page 27 for more information* 

### Our progress



		Objective		Progress to date
Governance	Collect feedback from all stakeholders	Improve systems for feedback, engagement and follow-up for our stakeholder groups.	<b>(‡)</b>	We extended our client survey to all Group clients. Its results are detailed on p. 42.
	Continuous training	Train new employees, and regularly instruct existing staff, on ethical decision-making practices and environmental issues relevant to IONISOS.	$\checkmark$	We formalized our Code of Conduct and Business Ethics and deployed it to our employees.
	Always be irreproachable	Establish a code of conduct and business ethics to ensure that all employees feel empowered to make the best choices in all circumstances.	$\checkmark$	We formalized our Code of Conduct and Business Ethics and deployed it to our employees.
work	Encourage difference at work	Create a diversity policy across the company.	$\checkmark$	We published our Diversity, Inclusion and Equal opportunities Policy.
Great place to	Help our employees to train themselves	Launch our internal online training system to facilitate the training of our employees.	$\checkmark$	We created and launched our dedicated online training platform loniAcademy.
Great	Follow up employee satisfaction	Repeat the employee satisfaction survey to measure the evolution following the implementation of actions related to the first survey.	$\checkmark$	We repeated our global employee satisfaction survey. Its results are detailed on p. 39.
	Get involved in the community	Increase our positive impact on our local community by supporting associations chosen by our employees.	<b>(@</b> )	This task is still ongoing as we are looking for associations to support, according to our values.
rs	Promote sustainability	Sustainability implies the participation of all of us and we want our partners and customers to join us in this approach to help reduce our impact on areas we have little to no direct influence on.	<b>(@)</b>	Our first sustainability report has been created last year to show our effort and include our partners.
Partners	Get our clients' feedback to better serve them	Send a satisfaction survey to all our clients to better understand their needs and provide them with the best service possible.	$\checkmark$	Our survey was sent to all Group clients for the first time in 2022. Its results are detailed on p. 42.
	Extend our survey	For our end customers, we set up systems to improve feedback, engagement and follow-up. We had valuable feedback from these stakeholders through our customer satisfaction survey in Spain. The insights provided are analyzed and formulated into new action points for the relevant departments. In 2022, we will expand the survey to all our clients in Europe to improve our services offering.	$\checkmark$	Our survey was sent to all Group clients for the first time in 2022. Its results are detailed on p. 42.





	• •
ngoing	project

	Objective		Progress to date
Decrease our impact	Decrease our <b>Scope 1 and 2</b> GHG emissions by 15% over 5 years considering a like-for-like perimeter.	<b>(@)</b>	Our emissions per unit of production decreased by 3% between 2021 and 2022.
Involve our suppliers	Continue to work with our suppliers to find more environmentally-friendly production methods.		We have started to create a Code of Conduct for our suppliers to include them in our sustainability engagement.
Protect biodiversity	Install beehives in our headquarters.	$\checkmark$	We installed 4 beehives in our headquarters.
Promote green travel	Expand our car charging stations to equip new sites in the coming years (three sites already have charging stations).	$\checkmark$	Chaumesnil (France) was equipped with one charger in 2022.
Use renewable energy	Install solar panels on the roof of our Spanish facility in summer 2022. Feasibility studies have been completed in 2021.	$\checkmark$	c.890 solar panels were installed in summer 2022.
Educate ourselves	Promote eco-friendly behaviours to all employees through internal communication to teach and remind them how to take care of the planet.	$\checkmark$	We published relavant internal communications throughout the year.
Decrease our waste	Equip all our sites during 2022 with bean to cup coffee machines.	( <b>@</b> )	9 out of 10 sites were equipped with the new machines in 2022.
Improve our efforts	Conduct energy audits to establish our areas of improvement.	<b>(@</b> )	Audits are currently being defined to better match our needs.
Implement state of the art technologies	Integrate the most advanced of current environmental technology and process at our new EO Kleve site.	✓	The Kleve site, which opened in 2022, is equipped with a LESNI catalyzer to burn EO residue and avoid its release in the air.

# CARING FOR OUR PLANET

#### An integrated approach

#### **OUR INTEGRATED SYSTEM**

IONISOS has developed and is gradually rolling out an integrated Quality, Safety, and Environment (QSE) management system, which combines procedures, actions, and training on those these three areas to make them an integral part of our processes. Including environmental, as well as quality and safety, considerations in our daily and routine tasks and procedures ensures that everyone from the floor employees to the experts understands our approach and complies with it.

As part of our system, we conduct regular monitoring of key environmental indicators such as energy consumption, water use and waste generation.

#### **ENVIRONMENTAL CERTIFICATIONS**

Our system includes deploying environmental management norms on all our sites. Currently, all our French sites are certified according to environmental management standard ISO 14001, and our Bautzen (Germany) facility has successfully implemented ISO 50001 for energy management. Looking ahead, we have set a clear trajectory for environmental sustainability, with plans to universally adopt ISO 14001 on all our sites by 2024, followed by ISO 50001.



### **Certification mapping**

#### ISO 9001

International standard that specifies requirements for a quality management system

#### ISO 14001

International standard for environmental management systems

#### ISO 11135

International standard that details the development and validation of a process for sterilizing medical devices using ethylene oxide

#### ISO 11137

International standard that governs the sterilization of healthcare products using radiation

#### ISO 13485

International standard comprehensive quality management system for the design and manufacture of medical devices

#### ISO 50001

International standard for establishing, implementing, maintaining and improving an energy management system



#### **Energy consumption**

#### **OUR APPROACH**

Our Gamma ray and Ebeam technologies are powered by electricity, while Ethylene Oxide processes use natural gas for heating.

We engage in energy reduction efforts as part of our environment management system. In 2022, IONISOS has implemented various actions to address energy management.

For example, three of our sites (Tarancón in Spain, Gien and Sablé-sur-Sarthe in France) have conducted energy audits to identify opportunities to reduce energy losses and optimize energy efficiency.

Additionally, we have transitioned all our on-call vehicles to electric models and installed electric charging stations for employees' private vehicles. Our sites in Chaumesnil (France) and Kleve (Germany) were equipped in 2022, joining Pouzauges, Dagneux and Sablé-sur-Sarthe (France) and Tarancón (Spain), that had been equipped previously. In Germany (Bautzen and Kleve sites), we introduced electric bicycles to encourage eco-friendly transportation options.

Finally, in July, solar panels were installed at our Tarancón (Spain) site, generating 25 to 30% of the site's electric needs.

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"Solar panel implementation has been a very interesting project that has expanded our understanding of this sustainable energy solution.

We've installed around 890 modules, effectively covering the entire roof of our facility. In just five months in 2022, we derived 22% of our energy consumption from these panels. We anticipate that by the end of 2023, we will derive 25-30% of our energy from solar power. Since the installation, we have mitigated the emission of 221 tons of CO2, equivalent to the benefits of planting 303 trees.

However, the tender process posed some challenges. We learned that several critical factors need consideration, including:

#### The solar panel brand

We opted for a top tier American brand for its reputation and reliability.

#### Power and quantity of modules

It's crucial to consider whether you plan to sell the excess energy generated or limit the excess to maximize usage of the generated energy.

#### Quantity and brand of inverters

The software these provide is essential as it allows the team to monitor the energy generated and identify any potential issues with the installation.

This kind of installation is interesting for any site that has space available for solar panels and high electricity costs where solar panels could reduce OPEX."



#### Adrien Butaud

General Manager - IONISOS Iberica



#### **KEY FIGURES**

IONISOS'S electricity consumption has increased over the past three years, with a 5% increase from 2021 to 2022:



Total electricity consumption (MWh)

These totals hide local differences. Our new Kleve EO operations require electricity and gas consumption, contributing to an absolute increase. Most of our sites increased their consumption due to increased activity, while others displayed a significant decrease in energy consumption. For example, Bautzen (Germany), with an electricity intensive Ebeam activity, is one of our significant electricity consumers, using a third of our overall consumption, but saw a 10% decrease of electricity consumption in 2022 compared to 2021, due to decreased commercial activity.



Electricity origin (%)

IONISOS'S total natural gas consumption has undergone a similar increase:



The increase in gas consumption can be primarily attributed to the rise in the number of pallets processed across our sites using ethylene oxide. Indeed, the sterilization process requires gas, contrary to our other technologies, to achieve the necessary temperature for sterilizing the pallets. It is also used by the catalytic abatement systems to capture and destroy volatile residues and reduce EO after abatement to levels below the detection limits.

Furthermore, our Kleve site commenced its operational setup in 2022. This operation involved trials, tests, installation gualifications, operational gualifications, and performance gualifications, all while no pallets were being processed.

#### Water use

#### **OUR APPROACH**

IONISOS adopts a responsible approach towards water management, within the limits imposed for the safety of its processes.

Our Gamma ray processes use water for cooling and storing Cobalt 60. When not in use, Cobalt 60 is stored in a pool of permanent water. Its cooling implies that water evaporates and is automatically recharged. However, these pools operate on a closed loop, meaning no water is discharged to the environment. While we must maintain high levels of water use to ensure our process safety, we strive to minimize water consumption where we can, ensure its responsible use and monitor any potential leaks.

Ebeam sites use water to cool the electron accelerator. This is done in a closed loop, with a cooling system, and therefore requires very little water consumption and no discharge to the environment.

Ethylene Oxide processes use smaller amounts of water to produce steam.

Our Bautzen site uses water to cool tubes as part of the cross-linking process, in an open loop (meaning the water used is discharged to a water treatment facility before its release into the environment). We diligently monitor consumption to ensure efficient use.

#### **KEY FIGURES**

IONISOS'S water consumption is limited. It remained relatively stable from 2021 to 2022, with a slight increase due to increased activity.

Total water consumption (m<sup>3</sup>)



However, some sites did experience a decrease in water consumption: Tarancón (Spain) showed a 38% decrease from 2021 to 2022, Dagneux (France) a 10% decrease and Alliku (Estonia) a 9% decrease.

The decrease in water consumption at our Tarancón site is attributed to our decision to stop watering the site's gardens. In Dagneux, it is due to a decrease in construction activities.

#### Waste production

#### **OUR APPROACH**

Our processes generate hazardous and non-hazardous waste.

We generate hazardous waste during maintenance operations on our Gamma ray and Ebeam equipment: oil, grease, cloths and used mechanical elements like conveyor parts. Anything that touches the Gamma ray cobalt storage pool water (tools, gloves, shoe soles on wet floor) is administratively treated as low-level radioactive waste, however, it is not radioactive at all.

Non-hazardous waste correlates directly with our operations. Our main waste is plastic film used by our clients to wrap the product pallets they deliver for treatment. While film is necessary to protect the products during transport, we need to remove it before treatment in some of our plants to ensure maximum efficiency. We sort the film to be recycled; however, we have limited leverage to reduce its amount. Our maintenance operations also produce some non-hazardous waste, which we sort and recycle where possible.

Besides plastic film, our operational waste amounts are tied to maintenance activities. Minimizing waste is therefore correlated with ensuring our equipment is functional and well kept. We also take care to sort and recycle waste in appropriate streams, as defined by local authorities.

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We have more leverage to manage non-process related waste. In 2022, we implemented two new initiatives to further reduce waste. Firstly, we replaced traditional coffee machines with reusable coffee cup machines on almost all our sites, thus reducing our single-use coffee cups and avoiding coffee pod waste. Secondly, internal reminders and communications were introduced to promote eco-friendly behaviors among our employees, encouraging waste reduction and recycling, in particular for office paper.

#### **KEY FIGURES**

Non-hazardous waste production decreased by 50% in 2022:



Non hazardous waste (tons)

Conversely, total hazardous waste increased significantly from 2021 to 2022:





This was mostly due to our Civrieux site, which experienced issues during the start up of its newly installed EO exhaust abatement catalyzer which have since been resolved. However 18 tons of water were used to drain the gas scrubber.



Exhaust abatement catalyzer in Civrieux

#### **Biodiversity**

#### **OUR APPROACH**

While our activities do not have a direct result on biodiversity to our knowledge, our facilities interact with their local environments, and we intend to minimize the impact.

Furthermore, in our 2021 internal contest dedicated to sustainability, employees proposed to install beehives at our headquarters as a concrete action to improve IONISOS'S impact on the environment.

#### **KEY RESULTS**

We installed 4 beehives at IONISOS'S headquarters in 2022. Our first harvest was successful, and we were able to offer each employee a small pot of locally produced honey thanks to our beekeeper who comes to look after the hives twice a month!



In 2022, we equipped all our EO sites with new best-in-class catalytic abatement systems to capture and destroy volatile residues. With these systems we reduce EO after abatement to levels below the detection limits. This voluntary action helps us reduce our impact on the surrounding environment and improve local air quality.



#### Between 70% and 90% of EO is destroyed

73 tons of EO has been removed in 2022 thanks to our catalytic abatement systems





#### **Our carbon impact**

#### **OUR APPROACH**

Greenhouse gas (GHG) emissions are one of the most critical issues for our planet today, and IONISOS is committed to playing its part in their global reduction. We have been measuring our carbon footprint since 2019 to track and understand our environmental impact over time and identify areas for improvement.

A carbon footprint assessment measures the greenhouse gasses emitted by an organization, either directly through its operations, or indirectly through the activities occurring upstream and downstream of its production (to produce and transport the products it buys, and in the use of its products or services). Results are expressed as carbon dioxide equivalent ( $CO_2e$ ) emissions, and are presented under three categories, or scopes:

#### Scope 1

Emissions from sources owned or controlled by the organization (for example, gases emitted by industrial activities, on-site combustion or emissions from company-owned vehicles).

#### Scope 2

Emissions from the production of electricity, steam, heat and cooling purchased or acquired and consumed by the organization.

#### Scope 3

Also called 'value chain emissions', this category includes all other emissions that occur in an entity's value chain as a result of its activities. Scope 3 emissions encompass a wide range of activities, including business travel, employee commuting, purchased goods and services, transportation, and the use and disposal of products. These emissions are often the largest portion of an organization's carbon footprint but are more challenging to measure and control as they involve activities outside the direct control of the organization.

IONISOS measures and acts on its direct emissions (Scope 1 and 2), with a goal to gradually measure indirect emissions (Scope 3). In 2022, we identified and acted on the following areas:

#### Electricity consumption (Scope 2)

Our most significant source of emissions is the electricity we use to power our sites and processes. To reduce emissions in this category, IONISOS has two major levers: improving energy efficiency in its processes and transitioning to greener energy sources.

#### Fossil fuel combustion (Scope 1)

Our Gien and Civrieux sites in France use natural gas for heating as part of the EO process. Our Tallinn (Estonia) and Dagneux (France) sites also use natural gas for premises heating. We work on reducing our energy-related emissions through several levers. First, we seek to minimize the carbon content of the electricity we consume, which means transitioning to greener electricity sources. We have switched to green electricity contracts for all our electricity supply in France. Our Tarancón (Spain) site has installed solar panels on its roof in 2022, covering about a third of its electricity needs.

We also strive to reduce our overall consumption through operational excellence. We are planning to carry out specific energy audits to optimize energy efficiency and reduce energy losses. Three of our sites (Tarancón in Spain, Gien and Sablé-sur-Sarthe in France) have already carried them out.

Finally, we aim for certification of all our sites under ISO 50001 - energy management, meaning the site operates under a system meant to maximize its energy efficiency. Our Bautzen site in Germany is already certified and we plan over the long term to certify all our sites.

#### Fugitive emissions (Scope 1)

Our processes emit a number of different gases directly:

Our Ebeam technology sites in Chaumesnil (France) and Bautzen (Germany) use SF6, an artificial gas widely used in industrial electrical equipment due to its safety, insulation and extinguishing properties. While it is normally contained within closed systems, there can be instances of leakage. SF6 emissions have a tremendous impact on the environment, as SF6 has a global warming potential 22,800 times that of CO<sub>2</sub>. As a result, SF6 is our second most important source of GHG emissions.

In Chaumesnil, France and Bautzen, Germany, we use SF6. They track SF6 leakage to reduce emissions. In 2022 Chaumesnil implemented a system to recover the gas during maintenance operations - SF6 is captured, treated then reinjected in the system after repair, thus limiting leaks and emissions. Bautzen is working on monitoring leaks more closely to identify and limit them sooner.

- Our EO processes use Ethylene Oxide, an alkylating agent used for its sterilizing properties. When it is released to the atmosphere, Ethylene Oxide has a global warming potential twice that of CO<sub>2</sub>. To work on our EO emissions, we seek to implement state-of-the-art technologies. We have thus installed LESNI catalyzers on our EO sites, which capture and burn Ethylene Oxide after use, reducing emissions to the atmosphere.
- Some of our sites use cooling technologies, either for processes or for comfort of the employees in warmer months. Cooling systems use refrigerants, normally within closed systems, but there can be instances of leakage. Refrigerants also have a significant environmental impact, as their global warming potential, depending on the type of refrigerant, ranges from 600 to 4,000 times that of CO<sub>2</sub>.

#### Transport in company-owned vehicles (Scope 1)

We own a fleet of company cars for transport on-site or for business travel. We are gradually transitioning our company fleet to electric vehicles, limiting our emissions from this source. Additionally, we are gradually introducing electric vehicles charging stations on our sites for our employees' use. Three sites in France were equipped in 2022 and we intend to keep rolling out this plan to eventually involve all our sites. Although this is an indirect impact for us (employees' transport in their private vehicles falls under Scope 3), we consider it our responsibility to help them improve their own impact, especially with respect to commuting.

#### Scope 3

Starting from 2023, our company will begin to measure our impact due to Scope 3 emissions, acknowledging our commitment to transparency and accountability in our environmental footprint. This effort will include assessing indirect emissions that occur in our value chain, from sources not owned or directly controlled by us. Furthermore, we will transition to using the GHG Protocol, a widely respected and globally recognized tool for managing and reporting greenhouse gas emissions. This change aligns us with the Paris Agreement's standards, showing our dedication to combating climate change and working towards a more sustainable future.



#### **KEY RESULTS**

In 2022 our direct emissions were stable relative to prior year, with total Scope 1 & 2 emissions of 5 796 844 kg CO2eq. This is despite an increase in our production: our emissions intensity was 24,25 kg CO2eq per pallet of treated product in 2022 compared to 25,00 kg CO2eq in 2021. Increased emissions linked to energy consumption reflect increased activity. The SF6 system in Chaumesnil has had a material beneficial impact on SF6 emissions.



Total Scope 1&2 emissions (in kg CO2<sub>e</sub>)





SF6 (in kg CO2)



Ethylene oxide (in kg CO2<sub>e</sub>)



Refrigerants (in kg CO2<sub>e</sub>) 93 353 90 753 72 918

2021

2022





IONISOS - Sustainability report 2022

2020

# PROVIDING A GREAT PLACE TO WORK

**IONISOS** 

#### **Our talent**

At IONISOS, we recognize that our employees are vital contributors to our overall success, and we strive to create a supportive and inclusive work environment that fosters personal growth and professional development. We firmly believe in Human Rights, and we operate with the International Labour Organization's standards as a baseline. By investing in our talent, we aim to enhance employee wellbeing, engagement, and overall job satisfaction.

As of December 31, 2022, IONISOS employed 242 people, including both the group entity and management staff. 98% of our workforce is on a permanent contract and average tenure is 8.1 years, showcasing our ability to foster long-term employee engagement, career development and a highly experienced and committed workforce.



\* including the Corporate team





#### Health & safety at work

#### **OUR APPROACH**

Due to the nature of our operations, we have established seven health and safety standards covering critical areas: personal protection equipment; electrical work; working with fire or heat; circulation and trolley driving; working at heights or lifting operations; and external contractor intervention. These aim to prioritize the wellbeing of our employees and prevent accidents. These standards are referred to as "The Golden Rules" of our daily EHS practices.

We ensure the presence of EHS leaders at every site and corporate level, who provide regular training and monitor compliance with safety regulations. Overall, 15 full-time employees focus on ensuring health and safety at work. From the EHS Director who defines the strategy to the Leaders and EHS Managers who deploy it on-site on a daily basis, we aim to inform all our employees about the rules and regulations, so they can work in the safest environment possible.

We have also developed dedicated training focused on the Golden Safety Rules on our IoniAcademy platform. This module is specifically designed to provide all our employees with the essential knowledge and resources needed to work safely.

Furthermore, we share specific communications called IoniSafety flashes with all employees. In addition to highlighting key accident statistics, they emphasize best practices in the workplace and offer guidance on learning from past incidents to prevent their recurrence and analyze their underlying causes.



We have noticed an increase in near-miss incidents due to the development of a strong safety culture. Our goal is a zero-accident work environment, and to achieve this, we will implement several proactive measures:

- EHS objectives to all employees, emphasizing the importance of safety in every aspect of our operations.
- We will conduct a comprehensive assessment of our safety culture to identify areas for improvement and possible vulnerabilities.
- We will also bolster our team with HSE recruitment, bringing in individuals who possess the specific skills and knowledge to foster a safer, more secure workplace.

Through these concerted efforts, we are creating a work environment where safety is a paramount concern.

#### **KEY RESULTS**



2021 was an exceptional year in terms of accident frequency. Although 2022 shows an increase on the previous year, there has been a downward trend for several years thanks to the recruitment of EHS officers on the sites and our Safety Flashes to promote best and safest practices at work. To identify levers for improvement, a safety culture assessment will be carried out next year at all our sites.



The trend has been downward for several years. Systematic accident reporting and the introduction of golden rules have enabled us to make progress in the prevention of high-risk situations.



#### **Diversity**

#### **OUR APPROACH**

At IONISOS, we are firmly committed to promoting diversity, inclusion, and equal opportunities for all individuals. We prohibit any form of discrimination and strive to create an environment that welcomes and embraces individuals from diverse backgrounds. We actively promote diversity in the workforce, with a special commitment to gender diversity.

In 2022, we published a Diversity, Inclusion and Equal opportunities Policy to disseminate our values on this topic throughout all the company.

Our recruitment process emphasizes experience, skills, and motivation to ensure fairness in selecting the best candidates.

Additionally, our People Review process involves analyzing data gathered during annual interviews to discuss training needs, potential, career growth, and salary enhancements. By implementing these processes, we aim to ensure equal access and opportunities in all aspects of our employees' lives.

Our ultimate goal is to foster a work environment that embraces diversity and inclusion, providing a platform for every individual to thrive and contribute to our collective success. We firmly believe that every member of our team plays a crucial role in upholding the principles of diversity and inclusion. Managers, in particular, are responsible for ensuring their teams are familiar with and understand our policies. Discrimination or unfair treatment in any form is not tolerated, and we encourage individuals to report any incidents they witness or experience.

Finally, we have adopted an Anti-bullying and harassment policy to ensure that all colleagues are treated with dignity and respect, and any misconduct is truly addressed.

#### **KEY FIGURES**

As of December 31st, 2022, female employees accounted for 29% of the global workforce, with uneven distribution among role categories:



Gender distribution per category

While we want to pursue our effort to reach a better balance, we are proud of nearing equality among our manager population (41% female).

#### **Developing skills**

#### **OUR APPROACH**

At IONISOS, people are at the heart of our business. We provide opportunities for employees to understand our values, as well as develop and grow new skills. We also offer specialized training for managers focused on team success and employee motivation. Learning at IONISOS is fostered through a combination of ongoing internal and external inperson training initiatives and accessible online learning resources.

In 2022, we have created IoniAcademy, our dedicated online training platform designed to support the professional growth of our employees. Hosted by a trusted service provider, it offers a range of tailored and customized contents that cover essential topics (Golden safety rules, our code of conduct, good manufacturing practices, administrative processes). To facilitate effective learning and knowledge retention, the modules consist of interactive videos and quizzes.

#### **KEY FIGURES**

In 2022, our employees benefited from a significant number of training hours per person:

	External training	Internal training	E-learning	Total per employee
Group	11	1	6	18
Spain	6	11	6	23
France	12		6	18
Germany	21		5	26
Estonia	8	3	6	17

We aim to reach a total of 25 hours of training per employee each year.



#### **Employee satisfaction**

#### **OUR APPROACH**

IONISOS recognizes the importance of employees' well-being and strives to create a positive work environment. Since 2021, we have conducted an annual satisfaction survey to assess the well-being of our workforce. The anonymous nature of the questionnaire allows for accurate measurement of satisfaction at both the country and site levels, yielding valuable insights and innovative ideas for further enhancement.

#### **KEY FIGURES**

Overall, satisfaction scores at the group level have remained consistently high in the last two years, with an average score of 8/10, indicating great satisfaction. In 2022, the participation rate was high (+20% compared to 2021), indicating growing engagement and interest among the workforce. Positive feedback from the survey highlighted strong relationships, effective communication, a positive working atmosphere, and excellent management skills. The variety of projects provided employees with autonomy and growth opportunities. Work recognition and goodwill were also valued by our employees.

Areas for improvement were also identified: group-level communication, salary reviews, and work commodities require attention to further improve employee satisfaction. To address these points and increase satisfaction levels by 20% by 2026, we have already devised an action plan (e.g. management training and regular site and service meetings, new group bonus system and People review).



### **Global satisfaction**

# RESPONSIBILITY IN OUR VALUE CHAIN

#### **Supply chain**

#### **OUR APPROACH**

Collaboration is key when it comes to achieving sustainability goals. We therefore place great importance on working closely with our new suppliers to thoroughly evaluate their strategies regarding quality, health, safety, environment, and sustainability.

This assessment process can be summarized as follows:



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#### Supplier assessment

We conduct a comprehensive evaluation of potential suppliers to ensure they align with our sustainability standards. This assessment involves examining their practices in many areas, including CSR, carbon footprint, quality, energy and waste.

#### QSE and sustainability approval

Suppliers who successfully pass the assessment stage move on to receive QSE as well as sustainable approval. This step confirms that they meet our stringent criteria and demonstrate a genuine dedication to sustainable practices.

### **Follow-up** We maintai suppliers. T

### We maintain an ongoing relationship with our suppliers. This follow-up process helps us ensure continuous improvement and accountability throughout our supply chain.

By working hand in hand with our suppliers and implementing this thorough documentation process, we strive to foster sustainable practices and create a more responsible and environmentally conscious business ecosystem.



#### Customers

#### **OUR APPROACH**

As part of our commitment to responsible business practices throughout our value chain, we place great importance on understanding and addressing the needs of our clients. Through open dialogue, continuous improvement, and proactive measures, we strive to foster stronger relationships with our clients and deliver exceptional services that also align with their sustainability objectives.

In 2022, we took a significant step forward by conducting our first-ever customer satisfaction survey, reaching out to all our clients. This survey provided valuable insights into their perceptions and experiences with our services.

#### **KEY FIGURES**

The findings demonstrate variability across IONISOS entities:

	NET PROMOTER SCORE	
	Likelihood to recommend IONISOS from -100% to 100%	
France	27,7%	
Germany	33,3%	
Spain	60,7%	
Estonia	75,0%	

Across all countries, our commitment to sustainability has been recognized and appreciated. In France, 65% of customers expressed high satisfaction, while in Germany, this rate reached a remarkable 100% (however this relates to a smaller client base). Our initiatives were similarly acknowledged by 89% of customers in Spain and 73% in Estonia.

Our survey also shed light on specific areas where we excel. Notable strengths highlighted by our clients include our strong customer relations, where positive feedback was consistently mentioned. Clients appreciated the flexibility and responsiveness of our team in catering to their specific needs. Furthermore, IONISOS'S dedication to maintaining high quality standards was widely valued.

We also identified areas for improvement. Some customers expressed concerns regarding communication about their order tracking. We recognize these concerns and are committed to addressing them promptly and effectively.

We have scheduled country-specific meetings to collaborate with our clients and devise tailored actions that can enhance our performance and address their specific concerns. We also plan to conduct a follow-up survey at the end of the year to measure the progress made in addressing these areas of improvement.

# CONCLUSION

#### **Closing statement**

As we reflect on a transformative 2022, we approach 2023 with an unwavering commitment to our sustainability goals, marked optimism, and a clear vision. Our actions and strategies are guided by multiple aims - to meet quality requirements as accurately as possible, foster a committed and trained team, and cater to our clients' needs through innovative and sustainable means.

In the coming year, we will continue to leverage the power of digital transformation to enhance our operations and deliver efficient, seamless services. We plan to extend our Group ERP system, already showing its effectiveness at our Tarancón site, to additional locations. This will allow us to further optimize processes and decision-making across our operational sites.

Similarly, our newly introduced HRIS, successful in Spain, Germany, and Estonia, will be extended to France. This addition promises to revolutionize our HR operations further, promoting efficiency and a data-driven culture within the organization.

In our constant strive to align with our clients' needs and expectations, we commit to conducting our customer satisfaction survey on an annual basis. Regular feedback will ensure that we keep improving our services and maintain robust, satisfying client relationships.

In addition, we are exploring the possibility of constructing a new site equipped with the latest technology to cater to our clients' evolving needs better. This prospect will demonstrate our commitment to remaining at the forefront of technological advancements in our industry.

We strongly believe that our commitment to continuous learning, quality, and innovation, combined with our focus on sustainability, sets us on the right path for the upcoming year. We will continue investing in our team, fostering their growth and development, and nurturing a high-performance culture.

In conclusion, while we celebrate our achievements and learnings from 2022, we are eagerly looking forward to the journey that 2023 holds. With a clear roadmap for the coming year, we are committed to achieving our sustainability objectives, serving our clients more effectively, and reinforcing our position as a global industry leader. We extend our sincere gratitude to all our stakeholders for their continued trust and support as we undertake this exciting journey of sustainable growth and transformation.

### Next steps

Planet

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New acquisition	To meet the increasing demand in the industry, we have decided to acquire a new facility to strengthen our offerings in Europe
GHG protocol	To align with the Paris Agreement's standards, we will transition to using the GHG Protocol to manage and report our greenhouse gas emissions
Certification	Initiate the process to attain the ISO 45001 certification, an international standard that specifies requirements for an occupational health and safety management system
Promote safety at work	Conduct a safety culture diagnostic with our employees
Digitalize tools	Make life at work easier by renewing or digitalizing our internal tools
Give support	Create a program to support our employees when they feel the need to contact social services to help them in their life
Make parenthood easier	Promote our actions to help employees with parenthood
Management training	Encourage our managers and support them in their day-to-day work
Onboarding	Help new recruits with an onboarding module on our e-learning platform
Skills assessment	Measure abilities, knowledge, and competencies required for a specific job, and use them for professional development
Code of conduct	Promote our values to our partners and create a code of conduct
Expand our offer	Tailored to current market demands, we are looking to expand our offer in Europe
Facility expansion	Construction work on our Pouzauges site to accommodate more pallets will be completed shortly
Tools digitalization	Use the same digital tool on all our sites so that our customers can place and track their orders
Scope 3	Include scope 3 in our 2023 carbon footprint assessment
Green electricity	Continue to switch to green electricity on our sites in Germany and Spain
Promote green travel	Expand our car charging stations to equip new sites in the coming years
Use renewable energy	Install solar panels on the roof of our facility in Bautzen
Decrease our car impact	Renew our company cars with electric vehicles
Decrease our waste	Equip our sites with bean to cup coffee machines