



## APPENDIX 2

# NON-FINANCIAL PERFORMANCE STATEMENT

---



## LFB AND LFB SA



INTRODUCTION .....	3
1. LFB'S BUSINESS MODEL .....	5
2. CSR RISKS .....	7
2.1 OUR PROTOCOL.....	7
2.2. OUR KEY CHALLENGES AND OBJECTIVES TO REDUCE THEM.....	8
2.3. CHALLENGES NOT DISCUSSED .....	9
3 SOCIAL ISSUES .....	10
3.1. TOTAL WORKFORCE AND BREAKDOWN BY GENDER, AGE AND SUBSIDIARY .....	10
3.2. REMUNERATION.....	13
3.3. SOCIAL DIALOGUE and COLLECTIVE AGREEMENTS - ABSENTEEISM.....	15
3.3.1. SOCIAL DIALOGUE AND COLLECTIVE AGREEMENTS.....	15
3.3.2. ABSENTEEISM .....	18
3.4. HEALTH AND SAFETY AT WORK.....	21
3.5. TRAINING.....	23
4. ENVIRONMENTAL ISSUES .....	25
4.1. WATER CONSUMPTION .....	25
4.2. ENERGIES AND GREENHOUSE GAS EMISSIONS .....	26
4.3. WASTE MANAGEMENT .....	29
4.4. ADAPTATION TO CLIMATE CHANGE.....	31
5. SOCIETAL ISSUES .....	34
5.1. FAIR TRADE PRACTICES .....	34
5.2. CONDITIONS OF DIALOGUE WITH EXTERNAL STAKEHOLDERS .....	36
5.3. CONTINUED PARTNERSHIPS AND/OR SPONSORSHIPS .....	38
5.4. PURCHASING POLICY .....	40
5.5. MEASURES TO COMBAT CORRUPTION .....	42
5.6. COVID-19 MEASURES .....	43
5.7. IMPACT OF COVID-19 ON EUROPLASMA .....	44
6. CONCLUSION AND OUTLOOK .....	44
6.1. OUR RESULTS .....	44
6.2. A RESPONSIBLE FUTURE .....	47

## INTRODUCTION

---

### Measures taken by LFB over the year

In 2020, a year marked by the COVID-19 pandemic, LFB was particularly committed to all of its stakeholders to meet its mission in the service of patients.

Despite the health crisis, LFB continued to pursue its strategy to refocus its activities on its businesses, products and certain countries. Progress continued as planned on its strategic projects, such as SEVENFACT® that was authorised by the Food and Drug Administration (FDA) in the United States in April 2020, or the construction of the new plant in Arras.

LFB signed several scientific and industrial partnerships aimed at tackling the COVID-19 pandemic in 2020, thus demonstrating the Group's significant involvement in this area. The crisis also gave rise to new collaborative efforts: in April 2020, LFB joined the Plasma CoVlg-19 Alliance in which the main global players in plasma-derived medicinal products have pledged to develop a hyperimmune immunoglobulin for patients with COVID-19.

Finally, LFB has joined forces with the French biotech company Xenothera to manufacture XAV-19, a candidate drug containing a mixture of protective antibodies able to neutralise the virus and prevent respiratory failure requiring intensive care treatment. The industrial bioproduction site in Alès has been involved in this project. LFB also supplied its immunoglobulin free of charge to the Paris University Hospitals Group, as part of the ICAR clinical trial. (IVlg in COVID-related ARDS).

In this unprecedented health context, the strong commitment of LFB and its employees was also manifested through various initiatives: LFB donated gowns and masks to medical staff in hospitals. An internal company sports challenge collected funds donated to the Paris Hospitals Foundation-France Hospitals, to Puerto de Hierro Hospital in Madrid and to a food aid organisation in the Boston region.

More broadly in 2020, LFB continued to provide active support to patient associations, in France and internationally, as well as support to blood donor associations in France. A committee of donor and patient associations chaired by LFB met in Arras in September 2020 to present progress on the new plant and the Group's industrial strategy.

LFB thus has a continuing relationship of trust with its employees, healthcare professionals and patient and blood donor associations. This trust is based on transparency. Transparency with regard to our values first and foremost, since LFB's mission is to ensure the health of patients. Transparency also about its mission, as the company and its employees are fully committed to providing treatments, while meeting today's social and environmental challenges. Lastly, transparency about biological safety, since LFB remains at the forefront in terms of drug safety.

LFB pursued an active recruitment policy in 2020, with around 250 permanent employees hired in France, of which three fourths in Production and Quality. It invested heavily in the training of its employees, in partnership with various schools and universities. Employee well-being and success are essential.

In 2020, LFB continued its actions to reduce its environmental impact, with better control of water and energy consumption, reduction of greenhouse gas emissions and waste management. Between 2019 and 2020, recycling of non-hazardous waste remained stable at over 50%. The company also worked to reduce travel and commuting: shuttle service for employees, carpooling, new technologies (video

conferences, collaborative spaces), remote working, etc. Finally, since October 2020, the industrial sites in Les Ulis and Lille have been consuming 100% renewable electrical energy of French origin.

Several audits and evaluations have praised LFB's CSR performance:

- the CAHPP (Central medicinal product purchasing centres for public or private hospitals and clinics) CSR audit awarded LFB with the **"Exemplary" Green Index level** for its compliance;
- the **A++ label** that was renewed for the 6th consecutive year;
- In the evaluation by the EcoVadis platform, LFB was awarded the **Silver medal** for its level of CSR maturity, which places it among the 25 best companies evaluated in 2020. Action plans have been implemented in order to correct certain areas for improvement before the next evaluation scheduled for May 2021.

These results encourage LFB to pursue its approach of social, societal and environmental responsibility.

LFB wishes to highlight the extraordinary work of all its teams during this particularly challenging year 2020. Since the start of the COVID-19 pandemic, they have ensured the continuity of production of 15 medicinal products of major therapeutic interest for the treatment of serious and often rare diseases. This exemplary commitment was carried out in the service of patient health.

## 1. LFB'S BUSINESS MODEL

---

LFB develops, manufactures and commercialises plasma-derived medicinal products and recombinant proteins for patients with serious and often rare diseases in the fields of haemostasis disorders, immunology and intensive care.

Drawing on its firm base of strong values revolving around Entrepreneurship, Exemplarity, Stringency, a Team spirit and Integrity, LFB is fully committed with its employees to carrying out its public health mission for patients.

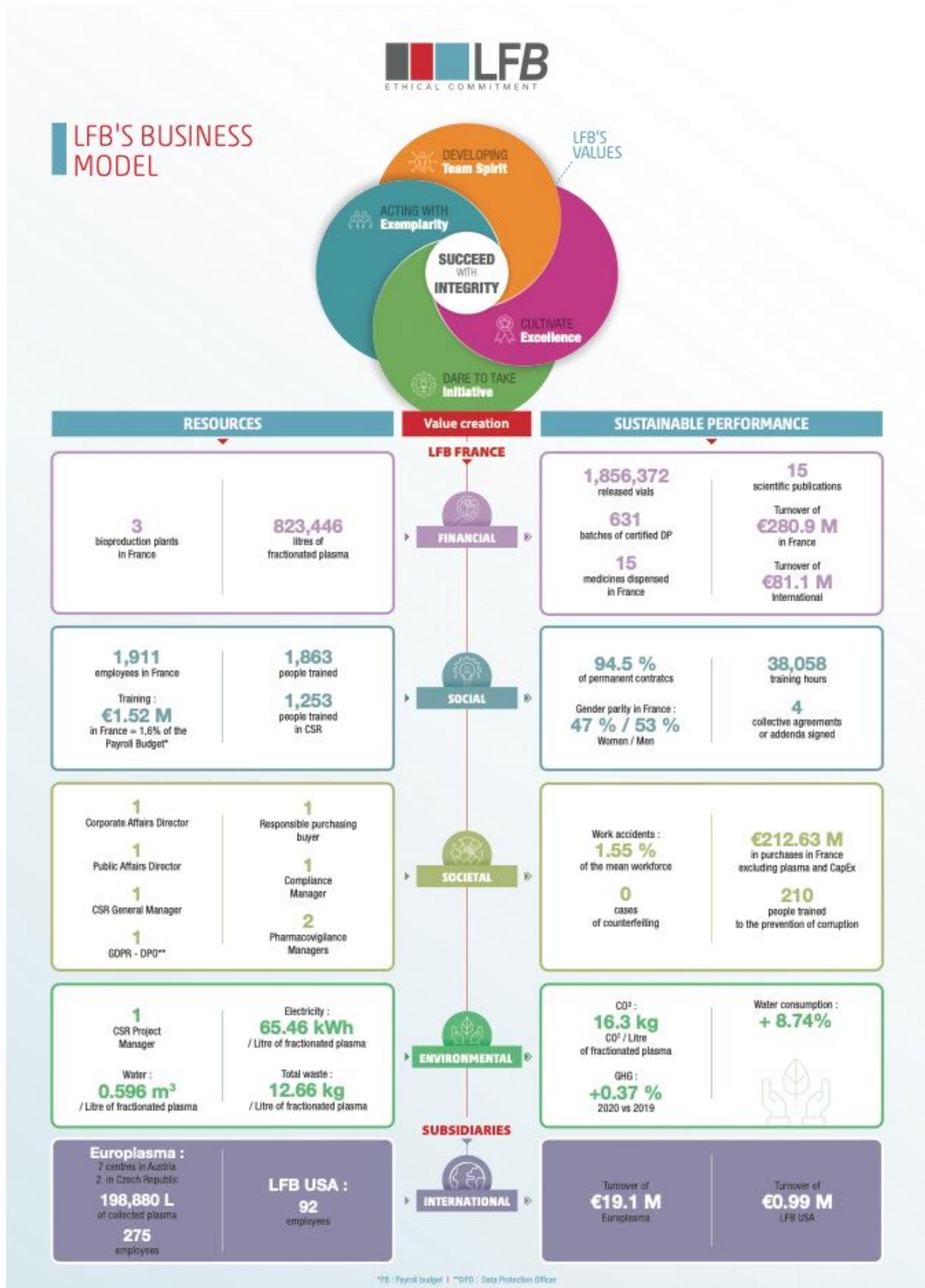
LFB advocates a socially-responsible and environmentally-friendly business model, thus ensuring the well-being of its employees and respecting its ethical commitment to both healthcare professionals and patients.

To guarantee the success of this mission over the long term, improve its performance and develop its know-how, LFB implemented a new strategy in 2018 to refocus its activities on its core business. This new plan of action, supported by all of the company's employees, has been translated into concrete objectives:

- To build a new organisation tailored for the new strategy, while still respecting the values of LFB;
- To give priority to industrial affairs, and thus address the injunctions handed down by the ANSM (French National Agency for Medicines and Health Products Safety) concerning several of LFB's industrial sites. These injunctions were lifted in November 2019. Among the industrial priorities, the construction of the new Arras factory continues to progress, on time and on budget;
- To refocus the company's activities on its core business: plasma-derived medicinal products and recombinant proteins;
- To strengthen our leadership in France and target international development on certain countries (United States, Germany, United Kingdom, Spain, Italy, Belgium, Mexico and Turkey).

LFB's new business model and ongoing transformation have improved both its economic and environmental performance.

Thanks to its adaptability and innovation, LFB continues to pursue its ambitious mission every day: to develop, manufacture and commercialise essential medicinal products from high-quality plasma. LFB is therefore a key player for healthcare professionals and patients alike.



## 2. CSR RISKS

### 2.1 OUR PROTOCOL

#### A multidisciplinary approach

In 2018, LFB identified a number of sustainable development challenges in connection with its new strategy, the company's priorities and the expectations of its stakeholders. In 2019, a CSR working group was formed to identify new risks. In 2020, this working group was expanded to include representatives from all LFB sites, and was thus renamed the Stakeholders Committee. This committee also provides advice, bottom-up communication, and an overall understanding of the group for the actions submitted for consideration.

The Financial Affairs department (DAF) and CSR unit will pursue their same policies for their identified challenges and monitor the same indicators over a 3-year cycle. This approach will serve to monitor performance indicators linked to the policies and actions implemented over a defined period of time, and to assess the results.

This statement will address the overall impact of the COVID-19 health crisis on the main challenges facing LFB.

For this purpose, the company has defined the 15 CSR topics deemed most important in terms of its activities:

	Challenges	Risks
1	Preventing and reducing absenteeism	Operational and financial impact
2	Maintaining adapted professional development and remuneration policies	Loss of company attractiveness
3	Guaranteeing a representative workforce in terms of gender and age	Increased discrimination and loss of knowledge transmission (integration of young people and tutoring)
4	Guaranteeing the match between employee skills and the requirements of their jobs	Mismatch between business needs and employee skills
5	Reinforcing attractiveness to recruit talent	Loss of attractiveness, with a negative operational and financial impact
6	Guaranteeing health and safety at work	Responsibility for employee health
7	Evaluating of collective agreements	Reduction of social dialogue with a risk of development of social movements
8	Managing water consumption	Risk of business disruption and environmental impact
9	Defining waste prevention, recycling and elimination measures	Increased expenses and environmental impact
10	Evaluating measures taken to promote patient health and safety	Risk of non-renewal of product authorisations (MA)

11	Promoting actions to reduce greenhouse gas emissions	Increased pollution and CO <sub>2</sub> emissions in the atmosphere
12	Managing energy consumption in the company's activities	Risk of business disruption and environmental impact
13	Taking social challenges into account in the purchasing policy (towards subcontractors and suppliers)	Financial health risks in connection with agreements and partnerships
14	Maintaining conditions that promote dialogue with people or organisations concerned by the company's activities Maintaining partnership or sponsorship initiatives	Significant risk with respect to the shareholder and partnership agreements
15	Preventing and fighting corruption	Ethics and compliance risks that are legal and financial

## 2.2. OUR KEY CHALLENGES AND OBJECTIVES TO REDUCE THEM

The main challenges described above can be classified into a few major areas.

### Social issues

- A. Challenges connected with the total workforce and breakdown by gender, age and geographical area
- B. Challenges connected with wages and wage trends
- C. Challenges connected with absenteeism
- D. Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them
- E. Evaluation of collective agreements, particularly regarding health and safety at work
- F. The policies implemented in terms of training, and the match between employee skills and the requirements of their jobs.

### Environmental issues

- A. Water consumption and water supplies according to local constraints
- B. Waste prevention, recycling and elimination measures
- C. Significant areas of greenhouse gas emissions caused by the company's activities.
- D. Measures taken to adapt to the consequences of climate change

### Societal issues

- A. Measures to promote consumer health and safety
- B. Relations maintained with the company's stakeholders and the procedures for ensuring dialogue with them - Sustain partnership or sponsorship initiatives
- C. Consideration of the social and environmental responsibility of suppliers and subcontractors in relations with them

### Fight against corruption and tax evasion

- A. Ethics and compliance risks that are legal and financial

### 2.3. CHALLENGES NOT DISCUSSED

Certain risks (mandatory by law, see Article L225-102-1) were not considered important based on LFB's business model. Those risks are as follows:

A. The company's commitment to the community in the areas of:

- a. **The circular economy**, the company's activities, although sensitive to the circular economy and the life cycle of the components used in the manufacture of medicinal products, reuse part of its non-hazardous waste, recycle the used diluted alcohol as a by-product or send it out for regeneration. Production manufactures single-use drugs that cannot be used or recycled at the end of their shelf life.
- b. **The fight against food waste**, the company cafeterias at LFB's main sites (Les Ulis and Lille) are outsourced to professional organisations. LFB is responsible for its service providers and monitors the information they provide on the tonnages of food waste. The service providers carry out awareness campaigns towards LFB's staff to help reduce food waste.
- c. **The fight against food insecurity**, LFB's activities are not concerned by this commitment.
- d. **Responsible, fair and sustainable food**, LFB's main activities are not concerned by this societal commitment.

B. Initiatives to combat discrimination and promote diversity

With a workforce in France comprising employees of 24 different nationalities, LFB has developed a set of practices designed to foster workplace equality amongst its staff and ensure the absence of discrimination on the grounds of gender, ethnicity, age or sexual orientation. It ensures that its employees demonstrate ideological, religious and political neutrality. This challenge is addressed by the social initiatives of LFB.

C. Measures taken for the disabled

A specific policy for the employment of people with disabilities was initiated in 2012. The aim is to ensure that disability is not a barrier to people expressing their skills and individual talents.

As part of its policy to promote the social insertion of people with disabilities, LFB is committed in the regions where it has a large site to set up structural collaborations with ESATs (Work Aid Establishments and Services).

This challenge was not identified by internal stakeholders because it does not represent a major risk.

## 3 SOCIAL ISSUES

---

### 3.1. TOTAL WORKFORCE AND BREAKDOWN BY GENDER, AGE AND SUBSIDIARY

#### Challenge

Workforce management is of course essential for the company. It must control the workforce breakdown and its evolution over time. This is not only a legal obligation, and management of this overall performance is also an indicator of LFB's attractiveness.

#### Policy

The social policy towards employees is a key challenge for the company's performance and sustainability. LFB is committed to the integration of young people through work/study alternation (apprenticeship and professional training) and retaining seniors in the workforce.

#### Measures implemented

##### LFB in France

The monthly workforce figures and annual summary are presented in the company's social report each year. The social report contains the following HR indicators:

- Annual evolution of Arrivals / Departures by contract type,
- Annual evolution of Arrivals / Departures by company,
- Turnover.

An agreement on professional equality between men and women was signed in 2018 by all the representative trade union organisations and company senior management, in continuation of the agreements signed in 2012 and 2015. This agreement has two priorities:

- **Gender equality within professions**, seeking to identify and implement other levers to allow women access to jobs, qualifications and job levels in which they are currently poorly represented;
- Reducing the "**glass ceiling**" effect: the fact that within the executive group, women have less access than men to positions involving higher responsibilities or management of larger groups. The company seeks to remove invisible barriers to the promotion of women in hierarchical structures.
  - Within the LFB Executive Committee (Comex), there is perfect equality between the number of women (5) and the number of men (5) who work with the CEO.

Furthermore, recruitment under **work-study contracts** follows an extremely rigorous process and criteria:

- A team is dedicated to recruiting work-study trainees within the Human Resources department as the Talent Acquisitions and Employer Brand unit. A permanent position has been filled for development of the employer brand and partnerships with various colleges and universities. This policy contributes to the local and territorial anchoring of LFB.
- Requests are scrutinised with respect to the budget and their interest for LFB (project qualified as strategic, internal mobility, hiring difficulties).
- Hiring interviews address the motivation of the candidate and presentation of their project, at the request of the manager and tutor.
- Retirement is anticipated in order to be able to better prepare for the handover of responsibilities.

### EUROPLASMA Subsidiary

The main achievement in 2020 was the appointment of an HR Manager in liaison with HR at LFB's head office. This HR Manager is responsible for managing the workforce and implementing Group policy. This person started out the previous year as HR Project Manager under a fixed-term contract (one year). She is responsible for implementing the Group's HR tools at EUROPLASMA, and developing the Group's HR policy and solutions in Austria and the Czech Republic.

She is responsible in particular for two major projects:

- implementation of a new staff time-clock tool (Atoss Solution) in Austria in 2021, and in the Czech Republic in 2022.
- implementation of Workday (LFB HR application) in 2021

At the EUROPLASMA subsidiary (particularly in Austria), the staff is employed under either permanent or temporary contracts (quite rare). Permanent employees are deemed confirmed after a period of 3 months (first trial period of 1 month during which either party can end the contract without notice, followed by a fixed 2-month contract); then the final contract comes into force after the trial period. The temporary contracts are so-called free contracts and are mainly short contracts that can be renewed frequently, including within one same month. These contracts allow the subsidiaries to obtain aid in numbers of hours and not numbers of contracts. This contract and scheduling flexibility for the employee is marginal and is not the norm. This adaptable scheduling (especially in terms of working hours) helps retain these employees on the job.

## RESULTS

The Group data was obtained by adding together all the data for France and the EUROPLASMA subsidiaries.

	MEN				WOMEN				Total per company	Reminder of 2019	Difference between 2019 and 2020 (%)
	Perm. contr.	Fixed contr.	Trainee	Total	Perm. contr.	Fixed contr.	Trainee	Total			
LFB SA	4	0	0	4	5	0	0	5	9	11	-18.2%
LFB Biomedicaments SA	877	12	29	918	718	32	24	774	1 692	1 520	11.3%
LFB Biotechnologies SAS	63	0	1	64	89	2	1	92	156	177	-11.9%
LFB Biomanufacturing SASU	25	1	1	27	26	1	0	27	54	54	0.0%
<b>France TOTAL</b>	<b>969</b>	<b>13</b>	<b>31</b>	<b>1 013</b>	<b>838</b>	<b>35</b>	<b>25</b>	<b>898</b>	<b>1 911</b>	<b>1 762</b>	<b>8.5%</b>
<b>EUROPLASMA Subsidiaries</b>	<b>43</b>	<b>4</b>	<b>1</b>	<b>48</b>	<b>200</b>	<b>27</b>	<b>0</b>	<b>227</b>	<b>275</b>	<b>273</b>	<b>0.73%</b>
<b>LFB Group Total excl. USA</b>	<b>1012</b>	<b>17</b>	<b>32</b>	<b>1 061</b>	<b>1038</b>	<b>62</b>	<b>25</b>	<b>1 125</b>	<b>2186</b>	<b>2 035</b>	<b>7.42%</b>

Note: employees departed as of 31/12/2020 are counted, as are individuals under suspended contracts (parental leave, sabbatical leave, etc.)

- o Employment: **392 arrivals**, under all contracts in France in 2020 (excluding transfers and contract suspensions).
- o **56 work-study trainees** registered for the 2019/2020 school year in the workforce as of 31/12/2020, France scope only.
- o **In 2020, 51 new work-study contracts registered in the workforce as of 31/12/2020** (France scope).
- o **3.2%** work-study trainees in the workforce in 2020 (number of work-study trainees/mean workforce (1747) in 2020).

Breakdown of workforce registered as of 31/12/2020 by age group							
Age group	- 25 years	25-34 years	35-44 years	45-54 years	55-59 years	+ 60 years	Total
LFB FRANCE	106	462	539	507	204	93	1 911
EUROPLASMA	15	73	77	82	20	8	275
<b>Total</b>	<b>121</b>	<b>535</b>	<b>616</b>	<b>589</b>	<b>224</b>	<b>101</b>	<b>2 186</b>

Breakdown of workforce registered as of 31/12/2020 by time with company							
Time with company	- 2yrs	2-5yrs	6-10yrs	11-20yrs	21-30yrs	+30yrs	Total
LFB FRANCE	501	384	198	419	205	204	1 911
EUROPLASMA	74	75	83	37	6	0	275
<b>Total</b>	<b>575</b>	<b>459</b>	<b>281</b>	<b>456</b>	<b>211</b>	<b>204</b>	<b>2 186</b>

- The mean age in the Group companies in France was **42.2 years** (42.9 years 2019).
- The mean period of employment in the Group companies in France was **11.6 years** (12.7 years in 2019).

<b>Executives / Non-executives as of 31/12/2020 in France</b>		
Status	Registered WF	Breakdown
Executives	996	52.10%
Non-executives	915	47.90%
<b>Total</b>	<b>1 911</b>	<b>100%</b>

**Gender equality in the workforce as of 31/12/2020**

<b>Gender equality as of 31/12/2020 in France</b>		
Year	Men (%)	Women (%)
2020	53	47
Year	Men (%)	Women (%)
2019	52.7	47.3
Year	Men (%)	Women (%)
2018	51.1	48.9

<b>Gender equality as of 31/12/2020 EUROPLASMA</b>		
Year	Men (%)	Women (%)
2020	17.4	82.5
Year	Men (%)	Women (%)
2019	17.6	82.4
Year	Men (%)	Women (%)
2018	20.1	79.9

**KEY PERFORMANCE INDICATORS (KPIs)**

<b>Indicator of Turnover - France</b>		
	2020	2019
Number of terminations	17	17
Number of arrivals (all contracts) in France	392	268
<b>Turnover</b>	<b>9.62%</b>	<b>9.90%</b>

- **The rate of turnover in France** (Number of departures from permanent contracts (excluding transfers and contract suspensions) in year N / Mean number of permanent contracts in year N = 168/1 747 = 9.9%).

- o **Gender equality has been stable in France** over the last 3 years for the entire France scope.
- o **+ 54.6% work-study trainees** in 2020 compared to 2019.

Europolasma Subsidiaries	2020	2019
Mean monthly workforce	269	273
Total departures - Permanent contracts 2020	41	54
Turnover 2020	15.24%	19.78%

- o **Gender equality was stable at EUROPLASMA in 2020**, with a high number of female employees.

## 3.2. REMUNERATION

### Challenge

Without a fair and balanced remuneration policy that takes the realities of the market into account, it is difficult to attract, motivate and retain the best employees. In order not to be outdistanced by the competition and to keep up with the race for talent, and to minimise turnover, LFB must consider implementing a relevant HR strategy and a competitive remuneration policy to increase its attractiveness.

### Policy

#### LFB in France

LFB ensures that it has a wage policy that allows it to be attractive in its sector of activity in order to limit turnover and build employee experience over time.

In France, base salary changes take place once per year following mandatory annual negotiations with central union representatives, which concern all employees. In 2020, an agreement was signed following mandatory annual negotiations with all the trade union organisations, and included an addendum to the Group savings plan agreement and an addendum to the Collective Retirement Savings Plan (PERCO) agreement.

The remuneration data relate to the annual gross payroll and include both fixed elements (base salary, seniority bonus, etc.) and variable elements (variable pay of executives, overtime, job bonus, etc.).

#### EUROPLASMA Subsidiary

The legal rules specific to each country are followed.

Regarding remuneration:

- o Wage policy in the Czech Republic is indexed to local inflation;
- o A branch agreement concerns only Austria.
- o Workplace organisation in Austria: weekly working hours vary widely from 7 to 40 hours (10 hours, 12 hours, 17 hours, 20 hours, 21 hours, etc.).
- o Workplace organisation in the Czech Republic: there are fewer working hour profiles, but remuneration is still highly individualised. Nearly 20% of the monthly salary is variable (individual and collective target-based bonus).

## Measures implemented

### LFB in France

In accordance with the provisions of the French Labour Code relating to annual negotiations in the company, the trade union organisations and senior management met 4 times on 10, 21 and 29 January 2020 and 6 February 2020.

The agreement signed in 2020 on mandatory annual negotiations included the following measures:

- General raise bordered by the agreement,
- Merit bonus for groups 1 to 6,
- Additional fixed bonus for employees eligible for the merit bonus mentioned above.

Continuation of the Group Collective Retirement Savings Plan (PERCO) initiative: setting of the level of matching for 2020. Renewal of the matching principle for the Collective Retirement Savings Plan. The level of contribution was revised upward for the year 2020.

Contribution to the Group savings plan: modification of the distribution of the contribution for the year 2020.

Re-evaluation of the LEEM conventional minima: LFB will apply a reassessed rate to the internal grid of LFB minima as negotiated and implemented in 2018 and based on the "professional minimum wages" of addendum I of the national collective agreement of the pharmaceutical industry.

Variable pay elements - Emergency bonus: the bonus paid to employees who work outside the planned schedule, as described in article 5 of the agreement relating to variable pay elements signed on 18/01/2016 was increased by € 6 gross (€ 29 to 35 gross) for periods of less than 4 hours, and € 7.5 (€ 57.5 to 65 gross) for periods of more than 4 hours.

Increased awards for long-service medals: The amounts awarded for long-service medals were increased in 2020.

Furthermore:

- In May, the PEPA bonus (exceptional purchasing power bonus) as per the agreement signed following mandatory annual negotiations was paid to all employees in the workforce on 30 April 2020 (and temporary workers) under the condition of average remuneration over the previous 12 months of less than 2 times the minimum wage.
- In June, an additional Macron exceptional bonus was paid under the COVID-19-related working conditions and according to the employee's working hours:
  - Employees who regularly went to their workplace during the period from 16 March to 11 May 2020;
  - Employees occupying positions which were part of the "critical activities to be carried out on site", in order to ensure our public health mission; this included in particular the Production and Quality departments but also other industrial or support functions;
  - Bonus proportional to the time spent on site (in proportion to their contractual working time).

In 2020, individual merit-based raises were granted in addition to promotions and adjustments.

### EUROPLASMA Subsidiary

In Austria, the 2020 raise follows the collective agreement. Some employees (for example doctors, centre directors, various other national directors) can be granted a raise above the average.

## **RESULTS**

LFB in France: 2 exceptional bonuses in 2020.

The annual raises for Europlasma follow the decisions of the collective agreement.

### **KEY PERFORMANCE INDICATOR (KPI)**

<b>Pay raises in France</b>		
	<b>2020</b>	<b>2019</b>
Annual raises	1%	1%

<b>Pay raises for Europlasma</b>		
	<b>Austria</b>	<b>Czech Rep.</b>
Annual raises 2020	2.37%	5.72%

## **3.3. SOCIAL DIALOGUE AND COLLECTIVE AGREEMENTS - ABSENTEEISM**

### **3.3.1. SOCIAL DIALOGUE AND COLLECTIVE AGREEMENTS**

#### **Challenge**

As part of its efforts to balance the expectations of its employees with pharmaceutical, regulatory and industrial constraints, LFB strives to maintain good social dialogue.

In the context of the 2020 health crisis, senior management remained focused on preserving good social relations within the Group. Respect for and attentiveness to employees and their representatives have always fostered a constructive climate. LFB was thus able to preserve the trust of its employees by establishing continuous transparent social dialogue.

#### **Policy**

##### **LFB in France**

LFB always favours more direct dialogue at all Group sites in France and this goal is supported by a coherent and dynamic social policy with the signing of 4 social agreements in 2020 (cf. results section).

##### **EUROPLASMA Subsidiary**

- Collective bargaining in Austria: sectoral agreements predominate in Austria. Employers are usually represented by the chambers of commerce, which they are obliged to join. The agreements cover nearly all employees. By law, the collective agreements cover all the employees of employers who signed the agreement, regardless of whether the employees are affiliated with the signatory unions. Working hours vary to a certain extent with the seasonal needs of activities in each centre. The legal reference working time is 40 hours per week.
- Collective bargaining in the Czech Republic: About 40% of employees are covered by collective bargaining, mainly through company negotiations. As a general rule, employees start work at

between 7 and 8 a.m., so as not to work past 3 or 5 p.m., and thus focus on the things that are important, that is to say family life. The legal reference working time is 40 hours per week.

## Measures implemented

### LFB in France

#### Support for effective staff representation bodies.

- Increase in the number of meetings with the bodies in the context of COVID-19-related initiatives (informal SEC (Social and Economic Committee) meetings every 2 weeks during the first lockdown period).
- Monitoring and support of volunteer departures within the framework of the collective mutual termination plan (3 monitoring committee meetings were held in 2020 with the staff representatives).

#### Economic and Social Unit (ESU), LFB France

The representative bodies are structured as follows:

- **One Site SEC** (Social and Economic Committee) for each scope (Hauts de France and Les Ulis/Alès) with one Site HSWCC + Central SEC with a Central HSWCC + 1 Group committee.
- Despite the particular COVID-related period, initiatives were implemented within each of the **4 priorities identified in the “Culture and Values” action plan:**
  - Develop transversality,
  - Create internal communication,
  - Improve working conditions and conviviality on the job,
  - Provide meaning.

The following are a few examples:

- **3 major sporting challenges** were organised to give LFB employees around the world the opportunity to practice a sport and accumulate points for charitable associations in the health sector.
- **2 collective solidarity challenges** in support of hospitals (30 March to 19 April and 24 April to 10 May), 1 team made up of 618 participants from all of our countries: **€ 20 000** (in total) collected for **Paris Hospitals of France, Puerta de Hierro Hospital in Madrid** and **an aid association for people in financial difficulty in Boston**.
- **A 3rd challenge** involving 15 French and international teams for the benefit of associations in connection with LFB employees, in the field of health and on a human scale. 8 associations were selected for this challenge which ran throughout the month of October 2020.

This social and solidarity commitment has united employees around one shared project.

- **Video intervention by the President of a patient association** with a question-and-answer game with LFB employees.
- **Unprecedented development of internal communication** with the culmination of daily messages from the CEO to employees during the lockdown period.

All these initiatives and many others have contributed to the cultural renewal of LFB. LFB's objective was to encourage remote meetings between team colleagues to maintain close ties, and to set up regular communications between management and employees: daily messages from the CEO to all employees, and several Teams meetings between the CEO and management, as well as a video to present the company's 2020 performance. HR has been examining the scope of remote working to expand it in an agreement after the crisis and take feedback into account.

#### Continuation of the "Donation of days off between employees" campaign

"Any employee who is responsible for the care of a child under 20 years of age or his or her spouse with a serious illness, a disability or who was the victim of a particularly serious accident that makes sustained presence and compulsory care essential can request a donation of days off from LFB." This policy allows employees to transfer part of their earned days off on a volunteer basis to another employee with a dependent child aged under 20 who is seriously ill, disabled or has been the victim of a particularly serious accident.

In 2020, **20 days were collected and 3 days were given**. The remaining 17 days are kept in the bank of days, in credit for the following campaign or to meet a request before the campaign in the following year.

#### The Disability mission

A bonus or Universal Employment Services Cheque (CESU) check for people declaring themselves to be RQTH (Recognition as a Disabled Worker).

- **91 people** received the bonus or CESU across all sites in 2020.

#### Prevention of psychosocial risks

- LFB has set up listening and support platforms for employees: this measure has been reinforced and employees have been reminded of its existence in the context of COVID-19.
  - **Pros-consulte**: telephone listening and support platform. Anonymous, confidential, toll-free calls, accessible 24 hours a day, 7 days a week.
  - **Hope Expert**: platform offering support by telephone and video conference. Confidential requests are submitted by making an appointment at the website <https://hopecoachs-lfb.youcanbook.me>.

#### Assessment of collective agreements (see page 14)

**4 structuring collective agreements** have been signed

- Mandatory annual negotiations
- Collective Retirement Savings Plan (PERCO) addendum
- Tutoring agreement
- Addendum to the Group savings plan

Fewer agreements were signed in 2020 (4) than in 2019 (11). 2019 was a special year with regard to social dialogue given the collective mutual termination plan, professional elections and the establishment of the organisation in SECs (Social and Economic Committees).

Implementation of a co-opting programme in 2020 so that employees are encouraged to recommend a person they know to fill an open permanent position at LFB. This system has many advantages for the person who makes the recommendation, the person co-opted and the company.

#### EUROPLASMA Subsidiary

- Collective bargaining in Austria: EUROPLASMA follows regulated social policies. Negotiations cover various issues, such as pensions, the humanisation of work methods, wages and general conditions. Wage negotiations set the percentage increases in both minimum wages and actual wages paid by companies, which are usually higher. The policy of the trade unions is that the increase in minimum wages must be greater than the increase in real wages in order to improve the lowest wages.

### 3.3.2. ABSENTEEISM

#### Challenge

LFB promotes the health and safety of its employees as well as good quality of life at work, which helps to limit absenteeism.

#### Policy

##### LFB in France

The Health and Quality of Life at Work Policy has been implemented, including the monitoring of worker health status, job retention, quality of life at work (Group agreement) and public health information. The Health and Quality of Life at Work Policy is considered as one of the company's important levers of economic performance and reduction of absenteeism.

##### EUROPLASMA Subsidiary

The absenteeism rate is monitored and absences are communicated to the accountants/tax officers and recorded. Specific events (vacation, illness, move, etc.) are also collected and reported.

#### Measures implemented

##### LFB in France

Work on internal mobility was launched in 2020 and presented to the SEC. A specific section concerning mobility in Arras is in preparation (2 meetings took place in July and December 2020 to negotiate a specific agreement and will continue in 2021) with a view to the GPEC (Forecasting Management of Jobs and Skills) project which will start in 2021.

This project is also part of the individual development plans put in place in 2020.

##### COVID-19-related initiatives

LFB responded very rapidly and adapted to government directives in the specific context of our activities:

- Implementation of remote working for **41% of employees** (mainly tertiary employees. The production staff (Les Ulis and Lille) continued their activities on site).
- Computer equipment (laptop PC, screen, mouse, keyboard, headset) was provided to employees whose position was suitable for remote working.
- Guaranteed continuity of production and quality work, in compliance with sanitary measures and social distancing rules for staff required to be present on the production site:
  - temperature taken upon arrival in the morning,
  - supply of masks for the day and self-service hand sanitiser gel at the reception and in meeting rooms,
  - scheduling of meal times in the company restaurant according to buildings and departments,
  - meals without face-to-face seating and respecting a distance of 1 meter between two people.

LFB recognised the efforts of all of its staff by awarding an exceptional purchasing power bonus:

- Between 150 and 850 euros gross paid to all employees in the workforce and temporary workers on 30/04/2020 who met the legal conditions for allocation

The company also adapted its remote hiring and integration sessions:

**393 participants in 44 integration sessions** distributed as follows:

- **20 sessions** in Les Ulis (**181** employees),
- **2 sessions** in Arras (**19** employees),
- **17 sessions** in Lille (**162** employees), in addition to **5 Industrial integration sessions**, without face-to-face HR presentation (i.e. **31** additional employees).

During the COVID-19 crisis, LFB set up specific daily messages from the CEO and Executive Committee members to all employees for several months.

The objective was to ensure the health and safety of employees, through strengthened relations with occupational medicine and weekly communication of safety instructions according to changes in national health instructions.

Finally, LFB wanted to prevent psychosocial risks by giving employees access to an additional psychological platform (Hope Experts).

The occupational physician and nurses have been very active in this uncertain context, especially during the first lockdown.

### **EUROPLASMA Subsidiary**

- Prevention and reduction of absenteeism in Austria: specific reporting shows **1 729 days of sick leave, 103 specific regulated vacation days, 2 492 days of maternity leave.**

The **COVID impact** for the Austrian subsidiary represents 102 days of quarantine and 47 698 hours of partial unemployment supported by the "Kurzarbeit" measure of the Austrian authorities.

- Prevention and reduction of absenteeism in the Czech Republic: **447 days of sick leave, 76 specific vacation days, 3 052 days of maternity leave.**

## **RESULTS**

### **LFB in France**

- **100% coverage of entities for employee representative bodies** in France (all French sites have an SEC)
- **Reduced number of wage agreements** signed in 2020 in France (**4**) compared to 2019 (**11**)
- **392 new arrivals in France**, all contracts combined
- **51 work-study trainees** hired as of 31/12/2020 in France out of the 56 in the workforce as of 31/12/2020.

<b>Group changes in France in 2020</b>				
<b>Status</b>	<b>Trainee</b>	<b>Fixed contr.</b>	<b>Perm. contr.</b>	<b>Total</b>
Number of group changes in 2020	2	1	114	117
Number of group changes in 2019	1	0	80	81

Internal mobility means any change of position or change of function for an employee within a company or a group of companies. Internal mobility can be vertical or horizontal. When horizontal, it means moving from one position to another (equivalent position), within the same department or a different department, while maintaining the same status. When vertical, it corresponds to a promotion (the employee progresses to a position with more important responsibilities). Internal mobility can be voluntary or guided.

### EUROPLASMA Subsidiary

Europlasma Subsidiaries	Internal mobility with change of category	
	2020	2019
Austria	1	4
Czech Republic	5	0
<b>Europlasma subsidiaries Total</b>	<b>6</b>	<b>4</b>

## KEY PERFORMANCE INDICATOR (KPI)

### LFB in France

- **6.7%: Internal mobility rate** (number of group changes in 2020 (i.e. 117) / mean permanent workforce (i.e. 1747), compared to a rate of **4.88% in 2019**).
- **6.1%: Overall absenteeism** (includes all causes of absence, illness, work accident, maternity, etc.), compared to a rate of **5.42% in 2019**.

### **Absenteeism**

	2020	2019
Overall absenteeism	6.10%	5.42%
Absenteeism not including parenthood	5.10%	4.40%

- The **overall absenteeism rate** in France, however, increased slightly in 2020 compared to 2019 mainly due to the increase in the number of days of maternity leave (+ 18% compared to 2019) and the number of sick days largely due to the effects of COVID.

### EUROPLASMA Subsidiary

- **2.74%: internal mobility rate** (number of group changes in 2020 (i.e. 6) / mean permanent workforce (i.e. 219)).

### **Indicator for absenteeism**

Europlasma Subsidiaries 2020	Number of days of absence	Number of theoretical days	Number of days of absence	Number of theoretical days
	2020		2019	
Austria	4 426	40 976	4 050	39 235
Czech Republic	3 575	12 991	3 185	10 318
<b>Europlasma subsidiaries Total</b>	<b>8 001</b>	<b>53 967</b>	<b>7 235</b>	<b>49 553</b>
<b>Absenteeism</b>	<b>14.83%</b>		<b>14.60%</b>	

## 3.4. HEALTH AND SAFETY AT WORK

### Challenges

Safety at work is one of the essential levers of operational performance.

### Policy

#### LFB in France

LFB is committed to a proactive approach to continuous improvement in the management of professional risks and the culture of prevention. This approach aims to protect the health and safety of the Group's employees and the staff of external companies working at its sites, and to ensure security during its projects by implementing formal processes.

#### EUROPLASMA Subsidiary

- Health and Safety in Austria: the responsibility for the protection of workers is shared by several actors (health and maternity insurance, pensions and work accidents and occupational diseases). The legal basis for the protection of workers is the Workers Protection Act supplemented by regulations.
- Health and Safety in the Czech Republic: In the area of health and safety, workers are represented either by the union organisation present at the workplace or by the elected safety representatives.

### Measures implemented

LFB is committed to creating the climate of confidence and transparency necessary for detecting and reporting dangerous situations and weak signals. The Safety objectives were not updated in 2020 and remain aligned with those for 2019 at the Group level. They serve as a reference towards which the operational entities must strive and that must be instilled in their teams.

## RESULTS

#### LFB in France

- In 2020, **27** accidents with lost time were recorded, versus **42** in **2019**. The number of work accidents with lost time declined.
- During the health crisis, LFB continued to produce and remote working was implemented for eligible positions.
- **90% of accidents** occurred in the industrial sector and particularly in production, with a high proportion at the Lille site.
- **The frequency and severity of accidents in France** are calculated based on the theoretical number of hours worked. This theoretical number of hours worked does not include overtime or additional hours worked, or vacation days taken during the period.

### Work accidents

	LFB France
AWLT	27
AWOLT	15
FR1	8.2
FR2	12.7
AWLT EC	13
AWLT TR	6

AWLT TR (goal $\leq 6$ ): Accident with lost time during commute of LFB employee	FR1/2: Frequency 1 or 2 (over 12 rolling months)
AWLT (goal $\leq 27$ ): Accident of LFB employee with lost time	FR1: Number of accidents with lost time per million hours worked
AWLT EC (goal $\leq 9$ ): Accident with lost time external company (including temp.)	FR2: Number of accidents with and without lost time per million hours worked
AWOLT: Accident without lost time	SR: Severity

### EUROPLASMA Subsidiary

#### Work incidents indicator (accidents or stoppages)

Europlasma Subsidiaries	2020	2019
Austria	1	1
Czech Republic	1	0

## KEY PERFORMANCE INDICATOR (KPI)

### LFB in France

#### Work incident indicator (accidents or work stoppages)

- 35.7% work accidents with lost time (AWLT) compared to 2019.

Safety performance for LFB in France

- **FR1/2: frequency 1 or 2 over 12 rolling months**
- **FR1 = 8.2** ( $\leq 5.5$ : 2020 goal) - (12.9 in 2019)
- **FR2 = 12.7** ( $\leq 10.3$ : 2020 goal) - (17.9 in 2019)
- **SR: severity**
- **SR = 0.31** ( $\leq 0.2$ ), 1 040 days lost - (0.36 in 2019). This rate was calculated based on calendar days.

### EUROPLASMA Subsidiary

- o **No work accidents in Austria in 2020 compared to 2019 (1).**
- o **1 work accident with lost time in the Czech Republic compared to none in 2019.**

## 3.5. TRAINING

### Challenges

Training and development employee skills remained an important objective in 2020 in support of the Group's overall transformation strategy.

The shift initiated was the ability to move from a training plan to a development plan in the broad sense. This has made it possible to offer both skills development and professional development opportunities for all employees. In the second half of the year, the Group set up a development week and met with employees to help them structure their professional development plan.

### Policy - Main principles in 2020

#### LFB in France

LFB set aside a development budget identical to the previous year. It created a new structure which centralises all the training functions of the industrial division under a more coherent approach. The employee is again the focus of the system, as an actor in his/her development. The training policy must ensure that all employees are trained at least once in quality requirements and for their personal development.

#### EUROPLASMA Subsidiary

An annual training cycle was carried out. "On-the-job" training is mandatory.

### Main areas of development implemented

#### LFB in France

- Individual development interviews between employees and managers centralised in a single "Workday" tool focusing on 10 key skills.
- The choice to set up an E-learning platform for training and validated assessment and a tool for centralisation and management of inter-site accreditations.
- Update and development of training materials to introduce digital learning and virtual reality, particularly for training in industrial and quality departments.
- Support the training of the many employees who joined the Group, particularly in the industrial and quality divisions of the 4 Lille-Les Ulis-Arras-Alès sites: **316** people
- Consolidate the "Quality" knowledge/skills of employees through an ambitious continuous training plan focusing on Good Manufacturing Practices and Data integrity: **1 516** people
- Pursue the establishment of a strong managerial culture for **279** managers
- Support hospital sales representative networks in their new organisation for remote visits: **28** people trained.

#### COVID-19-related initiatives

Starting in March 2020, the Human Resources department adapted to the COVID-related health situation with the creation of a large number of remote training courses and support for managers in their "Remote management", as well as the introduction of new collaborative tools to allow many employees working remotely to continue their mission. The COVID-19 pandemic has led to an increase in distance learning in 2020.

#### EUROPLASMA Subsidiary

Training is provided internally for employees of the collection sites. In light of the activities performed, emergency first aid training is held each year for the employees concerned. The training is given when necessary and within the general budget. These training courses are governed by legal rules specific to each country.

- Austria:
  - Lower Austria: 4 or 5 "job" training courses are required per year at all sites.
  - Vienna: 6 training courses are required per year and two are optional.
  - Styria AT: per year, 5 "job" training courses are mandatory, 16 training sessions in SOPs are provided, 1 machine training course, 11 information sessions are held.
- Czech Republic:
  - Chodov: 5 "job" training courses are mandatory, up to 42 other training courses (SOPs & COVID mainly) have been provided.
  - Cerny Most: 4 "job" training courses are required, up to 36 other training courses (SOPs & COVID mainly) have been provided.

## **RESULTS**

### **LFB in France**

- **€ 1.54 million** in total training investments, i.e. **1.6%** of the payroll (**€ 1.54 million or 1.7% in 2019**)
- **38 058 hours** of training during the year in France (**37 297 hours in 2019**)
- **1 863** employees trained at least once (permanent - fixed-term - work/study contracts) (**1 682 in 2019**)

#### **Training data**

	2020	2019
Total training investment in €	€ 1.52 million	€ 1.54 million
Number of hours of training within France scope	38 058 hours	37 297 hours
Number of employees trained at least once	1 863	1 682

## **KEY PERFORMANCE INDICATOR (KPI)**

**Calculation of the KPI:** Percentage of employees trained at least once in 2020 / staff who worked for LFB during the year (Total workforce at 31/12/2019 + arrivals under all contracts in 2020):  $(1\ 863 / 2\ 154) \times 100$ .

	2020	2019
KPI: Rate of employees trained at least once / Staff who worked for LFB in 2020	86.49%	79.90%
OVERALL TRAINING EFFORT	1.60%	1.70%

## 4. ENVIRONMENTAL ISSUES

---

### Sustainable use of resources

This challenge for the sustainable use of resources is related to the section of the management report on industrial, professional and environmental risks.

### 4.1. WATER CONSUMPTION

#### Challenge

Water is a natural and abundant resource for life and the company's mode of production. It is mainly used by LFB for production. LFB's sites use only tap water. The total water consumption described in the NFPS concerns only the production buildings in France (excluding construction of the new Arras plant, the Eurasanté laboratories, water consumed in the tertiary building in Les Ulis).

#### Policy

LFB's environmental policy aims to minimise the impact of the Group's drug manufacturing activities (from production to distribution) on the environment. Its environmental policy is linked with its industrial priorities.

The impact of the Group's French production operations on its ecosystems is monitored by the progressive introduction of monitoring and improvement processes based on environmental indicators. Inputs (raw materials, energy, water, for example) and outputs (emissions, effluents and waste) are all indicators monitored according to the volume of plasma consumed, the turnover, the number of product vials released, the number of employees or the surface area of the sites.

#### Measures implemented

Water consumption depends on production (0.595 m<sup>3</sup> water per litre of plasma fractionated in 2020). Production increased in 2020 in the volume of plasma fractionated (+18%) and the number of batches released (+32.7%) and this had an effect on water consumption which increased by +8.7%.

- The main action taken by LFB is to guarantee that all used water discharged does not contain any environmentally-hazardous molecule (e.g. endocrine disruptor). In 2020, investments were made in industrial renovations at the Lille site to capture triton-containing waste in effluents before discharge.
- Increased water consumption in Les Ulis.  
Water consumption is only linked with production at the site, and specific increases over the year are associated with qualifications, disinfection and rinsing of the water loops during the Technical Shutdown. The increase in water consumption in 2020 at the Les Ulis site can be explained by the increased volume of plasma to be processed (+18%), which required the production of a large quantity of purified water for **cleaning in place (CIP)**. Production never stopped during the health crisis to minimise supply tensions for LFB products and ensure continued treatment of patients.
- Increased water consumption at the Lille site.  
Water is used at all stages of the plant, from conventional use (lavatories, restaurant), to production (cleaning) and utilities (ACTs: Air-Cooling Towers), production of pure steam, maintenance of the WFI loops, chilled water and cooling water for maintenance of the WFI loops. Cleaning in place (CIP) requires large quantities of water and it is not easy to change this and still comply with regulatory procedures.  
Production was not impacted by the health crisis at this site in 2020 like it was at the Les Ulis site. The increase in water consumption was equivalent between the two sites, and corresponded to the higher volume of plasma to be processed.

- The Alès site reduced its water consumption due to the impact of the health crisis. This site closed down at the start of the lockdown and anticipated the resumption of its activities through collaboration with the French start-up XENOTHERA to industrially produce clinical batches for trials of COVID-19 neutralising antibodies.
- The rise in water consumption in line with the volume of plasma to be processed and the water requirements of the processes have triggered an initiative to identify ways to save water.
- An exploratory pilot study at the Les Ulis site launched in the third quarter of 2020 by the Corporate Affairs/CSR department and approved by the Industrial department aims to identify areas to save water, estimate the costs of investments to be made, water gains and returns on investments. A Project Manager has been appointed to map the water circuits in production and find ways to save water. The best targets will be prioritised and analysed and submitted in a report to the Industrial department in the third quarter of 2021.

## RESULTS

### Water consumption as of 31/12/2020

Volumes expressed in m <sup>3</sup>	Year 2020	Year 2019	Change between 2019 and 2020
<b>GROUP TOTAL</b>	<b>491 108</b>	<b>451 638</b>	<b>8.74%</b>

## KEY PERFORMANCE INDICATORS (KPIs)

- **+8.74%**: Change in total water consumption between 2019 and 2020 in France.
- **0.595 m<sup>3</sup> water per litre of plasma fractionated** in 2020 (only including water consumed in the manufacture of PDMPs: Plasma-Derived Medicinal Products, i.e. in Les Ulis and Lille, not Carvin) compared to **0.645 m<sup>3</sup>** in 2019, i.e. **-7.75%**.

## 4.2. ENERGIES AND GREENHOUSE GAS EMISSIONS

### Challenge

The challenge for LFB, which uses different types of energy for the development and manufacture of medicinal products, is to control energy consumption and greenhouse gas emissions, This control serves to limit its impact on one of the causes of climate change and thus help protect the environment, and achieve financial savings for the health of men and women.

### Policy

The policy aimed at controlling energy consumption in the company's activities was defined several years ago, and includes the commitment to monitor greenhouse gas emissions and limit the company's impact on the environment. Regular monitoring of LFB's energy consumption has shown that, with investments (with ROI ≤ 3 years) in less energy-consuming and more efficient equipment for processes, the carbon footprint has decreased significantly since 2011 and then stabilised. The aim of this effective policy is to improve the company's many production processes through monitoring and technical maintenance, to

carry out a lifecycle analysis of the necessary components (inputs) and to improve waste management through recycling.

### Measures implemented

Water and electricity consumption is recorded regularly for monitoring and analysis purposes. The data in the readings are reconciled with the actual consumption as reported on the invoices.

- The energies concerned for production, are mainly:
  - water, electricity, gas and superheated water.
  - Fuel is not consumed for production, but it is used for the operation of emergency generators.
- Water is mainly used for cleaning in place (CIP) of the production equipment using purified water produced on site and to produce pharmaceutical water for injections (WFI). Water is also used by heating boilers.
- Depending on the site, gas is used in the heating and heat production boilers for the production of steam and pharmaceutical water.
- Electricity powers the various cold rooms and other production equipment requiring this type of operating energy.
- Superheated water (steam) is only used at the Lille site and not produced on site but supplied via Résonor. It is used for the production of hot water between 55 and 75°C, or between 70 and 90°C.

Each year, LFB carries out a carbon assessment to monitor its energy consumption according to its production.

LFB also carries out a regulatory energy audit every 4 years. The first audit in 2014-2015 led to improvements on the Les Ulis site: the replacement of cooling towers with a dry-cooler for the cooling of water vapour produced, which is safe for the environment (to avoid risk of contamination by legionella micro-organisms), more powerful, less energy consuming.

The second regulatory energy audit was carried out in 2019 at the Les Ulis and Lille sites. Improvements and possible sources of energy and financial savings were identified. These sources were prioritised according to their efficiency on the processes and possible rapid financial benefits.

The main improvement measures implemented in 2020 concerned the gas boilers in Les Ulis (micro-modulating burners, energy savings of 72 MWh or 16.8 T CO<sub>2</sub>), and in Lille the installation of a recuperator on the vent of the supply tank (boiler valve) which represents 250 MWh in gas savings.

## **RESULTS AND KEY PERFORMANCE INDICATORS (KPIs)**

### Overall energy consumption - 31/12/2020

LFB Group - France Production scope (Les Ulis, Lille, Alès) + Carvin	Year 2020	Year 2019	Change between 2019 and 2020
<b>Electricity in MWh</b>	56 756	55 044	3.11%
<b>Gas in MWh</b>	40 231	38 424	4.70%
<b>Hot water for heating (steam) in MWh</b>	8 715	9 158	-4.84%
<b>Fuel oil in L</b>	5 383	4 592	17.23%

Electricity consumption in MWh (Tertiary buildings for rent)	Year 2020	Year 2019	Change between 2019 and 2020
<b>Building A</b>	<b>1 186.37</b>	<b>1 309.82</b>	<b>-9.42%</b>

**Change in GHG (Greenhouse Gas) emissions**

Conversion of energy emissions into kg eCO <sub>2</sub>	Emission factor (EF)	Unit	Source for EF	Total for scope	Unit	kg eCO <sub>2</sub> in 2020	Reminder of Total kg eCO <sub>2</sub> in 2019	Change (%)
<b>Electricity</b>	<b>0.052</b>	kg eCO <sub>2</sub> /KWh	ADEME	56 755 890	KWh	2 951 306	2 862 291	3.11%
<b>Gas</b>	<b>0.204</b>	kg eCO <sub>2</sub> /KWh GCV	ADEME	40 232 000	KWh GCV	8 207 328	7 838 538	4.70%
<b>Steam</b>	<b>0.286</b>	kg eCO <sub>2</sub> /KWh	ADEME	8 715 000	KWh	2 492 490	2 619 045	-4.83%
<b>Fuel oil</b>	<b>3.251</b>	kg eCO <sub>2</sub> /litre	ADEME	5 383	Litres	17 500	14 929	17.22%
<b>Non-Road Diesel</b>	<b>3.165</b>	kg eCO <sub>2</sub> /litre	ADEME	0	Litres	0	3 940	/
<b>TOTAL (kg eCO<sub>2</sub>)</b>						<b>13 668 624</b>	<b>13 338 742</b>	<b>2.47%</b>

ADEME = French Environmental and Energy Management Agency

Since 1 October 2020, LFB has chosen to power its two main production sites, Les Ulis and Lille, with 100% guaranteed renewable French electricity.

In the context of the current health crisis, this certified energy of hydraulic and French origin is an additional advantage in that it offers LFB energy independence.

The additional cost paid for the supply of renewable energy allows LFB to compensate for the quantity of CO<sub>2</sub> as calculated below. This quantity can be deducted from the total greenhouse gas emissions induced by its energy consumption in 2020.

- Consumption during the last quarter of 2020 for the Les Ulis and Lille sites are added together and converted into euros at the additional cost price imposed by the energy supplier (€ 0.32/MWh).
- This calculation results in a total in euros which, at the price per tonne of CO<sub>2</sub> as indicated by Energie Dev Consulting (<https://energiesdev.fr/prix-carbone-co2/>) of € 15/T, can be used to convert the additional cost equivalent to the energy consumption (281.15 T CO<sub>2</sub>) of all LFB's GHG emissions into deductible tonnes of CO<sub>2</sub>.
- **+0.003% GHG emissions between 2019 and 2020.**
- **-13.3%: 16.3 kg CO<sub>2</sub>/L plasma compared to 18.8 kg CO<sub>2</sub> in 2019**

	Electricity consumption since the switch to green electricity (in MWh)	MWh surplus	Additional cost corresponding to MWh	Price per Tonne of CO <sub>2</sub>	Tonnes of CO <sub>2</sub> compensated
<b>GROUP TOTAL</b>	<b>13 177 MWh</b>	<b>€ 0.32</b>	<b>€ 4 216.64</b>	<b>€ 15</b>	<b>281.15 T</b>

	LFB's GHG emissions in 2020 from energy consumption (in kg eCO <sub>2</sub> )	Carbon compensation (in kg eCO <sub>2</sub> )	Final GHG emissions in 2020 (in kg eCO <sub>2</sub> )	Change in GHG between 2019 and 2020
<b>LFB</b>	<b>13 668 624</b>	<b>281 150</b>	<b>13 387 474</b>	<b>+ 0.37%</b>

### 4.3. WASTE MANAGEMENT

#### Challenge

Given the nature of its businesses, processes and the values it upholds, LFB strives to deliver its services in compliance with environmental regulations. This is a crucial challenge for LFB and it does everything possible to act in regulatory compliance, protect the environment and preserve a good reputation.

#### Policy

Waste management at LFB consists of taking all necessary measures during the design, arrangement and use of its installations to prevent and reduce the production and toxicity of waste.

Part of LFB's waste is processed for energy recovery after incineration in approved facilities; the other part is sent for recycling, thus reducing the consumption of raw materials such as wood, metal, paper, cardboard, etc.

LFB is a member of the DASTRI ecological organisation that has been accredited by public authorities since December 2012 as part of extended producer responsibility for waste from healthcare activities associated with a risk of infection (DASRI).

DASTRI manages the regulatory obligation of producers of medicinal products and medical devices to set up and fund the recovery of products sold on the market once they have reached the end of their shelf life. This obligation concerns sharp objects produced by patients who self-treat.

LFB funds the collection of sharp objects used by haemophiliacs who self-administer LFB's products in their home. Public authorities renewed the DASTRI accreditation of LFB on 27/12/2016 for a period of six years (2017 – 2022).

#### The goals for the coming years are:

- The creation of an environmental management system according to the ISO 14001 standard at the Les Ulis site
- Further consolidation and confirmation of data on creation of the Solvent Management Plan (SMP).

#### Measures implemented

As part of continuous improvement of waste prevention and management, the Les Ulis site continued its sorting initiative with:

- The installation of new SORTING - VOLUNTARY DISPOSAL bins in areas of passage (inside buildings), copy machine areas and cafeterias.
- Optimisation of sectors: LFB continued to work on optimising overall waste and sorting by setting up a new category of plastic bottle waste.
- Environmental safety: Continued monitoring of analyses of discharges and effluents, with respect to regulatory specifications.

A working group has been set up for the control of VOCs (Volatile Organic Compounds) and to confirm and consolidate the data included in the SMP (Solvent Management Plan).

Investments were made at the Lille site to capture triton-containing waste. Triton is a synthetic detergent used for biological security in processes. It is included on the "Reach" list and will no longer be available in a few years. LFB has already anticipated its replacement with a non-hazardous alternative which is being tested in different manufacturing processes. For the moment, waste containing triton which is considered to be a potential endocrine disruptor is captured, treated and recorded as hazardous liquid waste.

LFB collaborates closely with the institutional authorities (DRIEE (Regional and Interdepartmental Directorate for the Environment and Energy) in Ile-de-France or DREAL (Directorate of the Environment, Land-Use Planning, and Housing) for other sites in other regions).

Regular inspections are carried out on LFB's classified installations.

**Impact of the health crisis on the company's activities:**

The first lockdown led the company to work more closely with its DASRI waste processing provider, which has undertaken to remove our DASRI waste despite government restrictions on the incineration of DASRI waste other than that from hospitals.

LFB was therefore able to ensure the timely removal of its DASRI waste.

LFB's other waste treatment providers have also undertaken to honour their contracts, which has enabled the Les Ulis site to avoid the accumulation of waste on site.

**RESULTS**

- o **Regulatory pH threshold** (8.6 instead of 8.5) **reached once** for our industrial effluents (Les Ulis only)
- o **COD\* threshold** (914 mg/l instead of maximum of 800 mg/l) **exceeded once**, also in these effluents (Les Ulis only): *Chemical Oxygen Demand of organic and inorganic substances in water.*
- o **8 798.11 T (Les Ulis): Total waste** (Hazardous Waste + Non-Hazardous Waste + DASRI), **+19.2%** (7 383 T in 2019)

The 18% increase in plasma fractionated in 2020 involved higher productivity, thereby amplifying the quantity of waste generated by the Group (hazardous, non-hazardous, DASRI) but also its recovery and reuse.

- o **1 626.25 T** (Lille + Carvin) total waste (hazardous, non-hazardous and DASRI): **+49.99%**

The increase in the plasma to be processed in 2020 and in hazardous triton-containing waste contributed to the increase in tonnage compared to 2019 (**1 084.18 T**)

- o **31.12 T** (Alès) total waste in 2020: **+1.2%** (30.76 T in 2019)

The value of the tonnage of Alès waste was stable compared to 2019.

The tonnage values summarised in the table include French entities only.

**Solid Hazardous Waste (SHW)**

As of 31/12/2020	Year 2020	Year 2019	Change between 2019 and 2020
<b>GROUP TOTAL</b>	<b>297.84</b>	<b>196.26</b>	<b>+ 51.8%</b>

*Results in tonnes*

**Liquid Hazardous Waste**

As of 31/12/2020	Year 2020	Year 2019	Change between 2019 and 2020
Les Ulis (Diluted ethanol)	7 979.32	6 577.00	21.32%
Lille (Diluted ethanol)	56.76	51.54	10.13%
Lille (Triton-containing effluents)	208.58	/	/
<b>TOTAL</b>	<b>8 244.66</b>	<b>6 628.54</b>	<b>24.38%</b>

*Results expressed in tonnes per site*

#### DASRI

As of 31/12/2020	Year 2020	Year 2019	Change between 2019 and 2020
<b>GROUP TOTAL</b>	<b>855.44</b>	<b>828.18</b>	<b>+ 3.29%</b>

Results in tonnes

#### Non-Hazardous Waste (NHW)

As of 31/12/2020	Year 2020	Waste recovered	Year 2019	Waste recovered	% change between 2019 and 2020 in the Tonnage of NHW
<b>GROUP TOTAL</b>	<b>1 057.55</b>	<b>52.78% recovered</b>	<b>844.96</b>	<b>59.89% recovered</b>	<b>+ 25.16%</b>

Results in tonnes

## KEY PERFORMANCE INDICATORS (KPIs)

- **12.66 kg of total waste generated per litre of plasma fractionated** compared to **12.2 kg** in 2019, i.e. **+3.77%** (only the total waste from Lille, Carvin and Les Ulis is taken into account).
- **5.62 kg of total waste generated per vial of product released** (only total waste from Lille, Carvin and Les Ulis are taken into account) versus **6 kg/vial** in 2019.
- **52.78% of non-hazardous waste recovered** in 2020 compared to **59.89%** in 2019.

## 4.4. ADAPTATION TO CLIMATE CHANGE

### Challenge

Climate change is a new type of risk that companies must manage. Addressing this challenge requires an economically viable and scalable system, limiting the impact on the environment.

Ethanol is the main input for fractionation of the starting material (plasma). Thus, monitoring of ethanol is important on several levels: optimisation of its use, then of its recycling and for the mitigation of VOCs (Volatile Organic Compounds) in effluents.

### Policy

To propose and implement sustainable initiatives to improve the lives and performance of employees, by maintaining quality drug production while controlling the company's impact on the environment.

### Measures implemented

Though emissions connected with professional travel or home-work commutes are not included in the mandatory greenhouse gas emissions assessment, the Group has taken action in recent years to limit its impact in this area:

- LFB has video conferencing equipment at the Group headquarters and in its main subsidiaries, including in other countries, to limit professional travel by its employees.
- Modernisation of the messaging system to allow for live meetings from the workstation via Skype, then from the start of the health crisis via Teams with the move to Office 365. This upgrade has also reduced

LFB's environmental impact through the sending of links for attached documents instead of multiple electronic messages with attachments sent to several people. This represents a saving of time, a gain in traceability and reliability, benefits for the environment.

- All these technological improvements have helped to reduce employee travel since 2017 which remained stable until 2019 (2020 carbon footprint).
- LFB BIOMÉDICAMENTS teamed up with Hospit@lis to provide a web ordering health portal for healthcare establishments in the public and private sectors. Hospit@lis is the only shared interface between healthcare institutions and the pharmaceutical industry and its goal is to optimise the supply chain by making ordering and order processing easier, centralising orders from suppliers and dematerialising order forms. (<http://www.hospitalis.org>).
- LFB facilitates carpooling between employees and between companies: this system has been implemented at the Les Ulis site, in particular due to its distance from a train station and the near absence of public transportation. A carpooling system is in place at the Les Ulis site and is managed by a smartphone application, allowing each user to contact "a driver" going to the same area of activity at the time of their departure (OuiHop). This system makes it possible to get home in the evening outside the operating hours of public transport or the LFB shuttle. An LFB shuttle is provided to Group employees to drop them off at the nearest station or pick them up according to a set schedule.
- At the social level, the agreement signed for remote working has in fact been extended to all staff who could work from their home since the lockdown due to the health crisis.

This remote working policy has facilitated better respect of social distancing and has limited contact with other employees. It has also limited home-work commuting, reduced the effects of pollution due to exhaust fumes, improved work quality of life for employees, and contributed more efficiently to a clean environment.

- In 2020, LFB installed charging stations for hybrid or electric vehicles:
  - **In Les Ulis**
    - **4 free access electric charging stations** for electric or hybrid vehicles which have been operational since 29/09/2020.
    - 2 additional stations will be added in 2021 in the basement of Building A.
  - **In Lille**
    - Installation of **6 operational charging stations**.
    - No planned date for the installation of stations in Carvin.
  - **In Arras**
    - 10 double stations are planned in the project and will be installed in 2021.
  - **In Alès**
    - The car park is outside of the LFB Biomanufacturing compound and the project is under consideration.
- LFB also monitors the vehicles in its fleet. The number of vehicles has been stable for 3 years. The General Resources department offers employees vehicles that comply with the regulations for g CO<sub>2</sub>/km emissions, or hybrid vehicles. A study of commuting needs for the Lille intercity site revealed that the site is served by a large number of existing means of transport due to its proximity with the EFS (French Blood Establishment), a hospital and an institute of higher learning (Sciences Po Lille): metro, tram, bus. Employees get to the site by bicycle or scooter. A room has been set up to park them. Downloadable applications for connected carpooling have been proposed to employees. These applications have been recommended by the Chamber of Commerce and Industry of the Hauts de France regional and the European Metropolis of Lille.

In the context of the health crisis due to the coronavirus, all the decisions taken by management and the members of the Executive Committee were taken strictly according to the instructions issued by the Ministry of Health to limit as much as possible the risks of contagion between employees required to

remain on the production sites, with the other employees moved to remote working. The main impact of this COVID-19-related crisis has been the near generalisation of remote working, which has enabled the company to maintain its productivity, and to initiate social and solidarity initiatives for employees as part of projects to raise funds for hospitals.

## **RESULTS**

- **1 746.7 m<sup>3</sup> of pure ethanol** delivered in 2020 for plasma fractionation (1 328.04 m<sup>3</sup> in 2019)
- **81 863.6 HL used diluted ethanol**, sent for recycling and regeneration (67 479.7 HL 2019), i.e. a 21.4% increase equivalent to the 18% increase in plasma fractionated.
- **297** truck rotations/year of used diluted ethanol for recycling
- **149** vehicles in LFB's fleet (144 in 2019)
- **10 electric vehicle charging stations** installed at the Les Ulis and Lille sites

## **KEY PERFORMANCE INDICATORS (KPIs)**

- **2.12 litres of pure ethanol/litre of plasma** treated (1.90 litres of ethanol/litre of plasma in 2019)
- **+21.3%** diluted ethanol recycled
- The vehicles in LFB's fleet have an **average CO<sub>2</sub> emission of 115 g/km** (114 g/kg in 2019)

## 5. SOCIETAL ISSUES

---

### 5.1. FAIR TRADE PRACTICES

#### **LFB in France**

##### **Addressing the challenges**

This challenge for fair trade practices is related to the section of the management report on the risks of non-renewal or withdrawal of the authorisations necessary for the Group's activities. The same holds true for the section on the risks connected with human biological materials and health.

##### **Challenge**

The activities of LFB BIOMEDICAMENTS consist of the manufacture and sale of plasma-derived medicinal products for use in the fields of Immunology, Haemostasis - rare diseases and Intensive care - perinatal care.

All of LFB BIOMEDICAMENTS' products are medicinal products of major therapeutic interest (MITM) as defined by French law No. 2016-41 of 26/01/2016 and decree No. 2016-993 of 20/07/2016.

These medicinal products are delivered to hospital pharmacies (except for one product sold in retail pharmacies) and are administered for the treatment of rare diseases or in emergency situations, in specialised units (haemostasis, immunology, surgery) by healthcare professionals.

##### **Policy**

LFB BIOMEDICAMENTS undertakes to manufacture and market to healthcare professionals medicinal products that meet the manufacturing criteria and controls as defined in their marketing authorisations (MA) and in accordance with the requirements of Good Manufacturing and Distribution Practices. The MAs are obtained from the health authorities after a rigorous and documented evaluation of the manufacturing processes, controls, as well as the benefit-risk balance for patients.

LFB BIOMEDICAMENTS also undertakes to provide healthcare professionals with reliable, objective and quality information to support them in the care of their patients and promote good use of its medicinal products in accordance with the therapeutic indications of their MAs.

Finally, LFB BIOMEDICAMENTS undertakes, in accordance with the law, to inform authorities of any risk of supply tensions/shortages concerning its medicinal products and, if necessary, to take appropriate action to minimise the consequences of any such unavailability.

##### **Measures implemented**

Medicinal product controls: by law, all batches of plasma-derived medicinal products distributed by LFB BIOMEDICAMENTS undergo additional tests and are released by an independent official health laboratory that issues an official Batch Release Certificate.

Post-certification monitoring: in order to guarantee optimal safety and quality of its medicinal products and in accordance with laws in force, LFB BIOMEDICAMENTS has a Pharmacovigilance, Complaints and Haemovigilance unit that monitors its products.

A pharmaceutical telephone service is available outside of the company's working hours to receive and process any urgent information.

LFB BIOMEDICAMENTS has set up serialisation of its medicinal products (in accordance with laws in force), in order to secure the use of its products and to guard against any risk of counterfeit products being used. This measure has been effective since 9 February 2019.

Promotional information: LFB BIOMEDICAMENTS provides promotional information to healthcare professionals through its Hospital Scientific Sales Representatives to assist them in caring for their patients and promoting the proper use of its medicinal products. This activity is monitored and managed through a Quality process that is presented each year as part of the Management Review.

LFB BIOMEDICAMENTS has committed to apply the charter of the LEEM (France's pharmaceutical industry trade association), a charter for information provided by canvassing or prospecting for the promotion of drugs, and its medical sales visits have been certified since 2010. The certification of the promotional information was renewed on 13/07/2020 by a new certification body.

A code of ethics has been established. It is handed out during visits of the Hospital Scientific Hospital Sales Representatives to healthcare professionals and is available on LFB BIOMEDICAMENTS' website under "Commitments to healthcare professionals".

#### **Supply tensions/stock shortages:**

LFB BIOMEDICAMENTS has implemented Shortage Management Plans for all of the medicinal products in its portfolio.

In addition, dedicated stocks of products are set aside for emergency situations (medical emergencies, attacks or other extremely serious situations such as natural catastrophes) that can be provided 24 hours a day, 7 days a week via a pharmaceutical on-duty system.

## **RESULTS**

- **2 454: SRTs** (Transfusion Network Reports) - SRT = quality report from the centres that supply plasma (starting material for LFB's medicinal products) - (2295 in 2019)
- **0: Precautionary measures\*** following SRTs - \*precautionary measures = blockage of batches of products
- **0:** Confirmed **cases of counterfeit** - (0 in 2019)
- **46: Complaints** concerning LFB medicinal products - (40 in 2019)
- **10: Number of PSURs\*** (Periodic Safety Update Reports: issued by the Pharmacovigilance department) sent to authorities, or about one half of LFB's products - (8 in 2019)
- **No change:** Change in the Benefit/Risk balance of an LFB medicinal product
- **7: Stock shortages** concerning LFB's medicinal products - (20 in 2019)
- **32: Number of emergency orders** - (64 in 2019)

## **KEY PERFORMANCE INDICATORS (KPIs) for complaints in 2020**

- **0 batch recalls** for all medicinal products sold in 2020 compared to 1 in 2019
- **-65% for stock shortages** between 2019 and 2020

## 5.2. CONDITIONS OF DIALOGUE WITH EXTERNAL STAKEHOLDERS

### **LFB in France**

#### **Addressing the challenges**

This challenge for commitments to promote conditions for dialogue with external stakeholders is connected with the section in the management report on the risks linked to the interruption of activities.

#### **Challenge**

LFB is the only French pharmaceutical company specialised in the fractionation of plasma and the production of medicinal products for the treatment of serious and often rare diseases. The important challenge for LFB is to maintain good relations and dialogue with its external stakeholders. This challenge is correlated with the overall risk factors in the management report: risks linked to the non-renewal or withdrawal of the authorisations necessary for the Group's activities, which would have a strong impact on patient access to the company's medicinal products.

We can also cite the ethics and compliance risks dealt with in the management report. These are non-negligible risk factors that could have significant negative impacts on the Group's reputation and image and lead to penalties.

#### **Policy**

To meet these challenges, the Public Affairs unit within the Corporate Affairs department maintains balanced relationships with blood donor organisations, patient associations, public authorities, professional organisations, and scholarly associations among others.

#### **Measures implemented**

Relations with:

##### **1 - Blood donor organisations.**

Since its origins, LFB has actively supported blood donor organisations and in particular the French Federation of Voluntary Blood Donors (FFDSB), an association recognised as of public utility. The association federates regional blood donor associations in a national organisation, promotes voluntary and unpaid blood donation in partnership with institutional organisations, contributes to blood safety throughout the chain, participates in the recruitment of donors and volunteers, their loyalty and training of volunteers and finally represents blood donors officially before politicians as well as international bodies. LFB also maintains relationships with other organisations including the UNDSB (National Union of Volunteer Donors Associations of the French Post Office and Orange), the APTSA (Association for the Promotion of Blood Transfusion in the Armed Forces) and the ANCDB (National Association of Railway Workers for Volunteer Donation).

##### **2 - Patient associations.**

Plasma-derived medicinal products are used to treat a multitude of acute and chronic, serious and most often rare diseases that are mainly managed in hospitals and sometimes at the patient's home. The patients affected by these pathologies are grouped mainly within 5 associations: primary immune deficiency (IRIS), alpha-1-antitrypsin deficiency (ADAAT), peripheral neuropathies (AFNP), haemophilia (AFH) and multiple myeloma (AF3M).

LFB supports patient associations in their missions: supporting families, promoting diagnosis, representing patients, promoting donation and supporting research.

### 3 - Public authorities.

Though it has the French government as its shareholder, LFB interacts with administrations and ministerial cabinets on its subjects of interest which require the involvement of public authorities.

### 4 - Professional organisations.

LFB is a member of four professional organisations (French: Leem and France Biotech; international: IPFA and PPTA), think tanks (G5 Health in France) as well as within the Ile-de-France Médecin competitiveness cluster.

### 5 - Scholarly associations.

LFB also maintains relations with healthcare professionals and participates, as a public health player, in the improvement of patient care paths.

#### Impact of the health crisis

**Blood donor associations** were active in the promotion of blood donation, and in particular during the lockdowns.

Donations are used to supply both health facilities with labile blood products and LFB with plasma for fractionation.

In order to reduce the risk of contamination, the congress of the French Federation of Volunteer Blood Donors was cancelled and replaced with a face-to-face meeting of the Presidents of regional and departmental federations.

**The activities of patient associations** changed radically in 2020.

Despite the increased health needs in 2020 due to the health crisis, patient associations reduced their face-to-face activities to prevent the risk of contamination.

The leaders of patient associations cancelled many events bringing together patients and healthcare professionals.

However, some associations were able to successfully deploy new digital tools to hold virtual conferences.

In addition, to answer questions from patients, the associations actively communicated on their websites about the day-to-day management of the disease during the pandemic.

#### EUROPLASMA Subsidiary

##### **PLASMA DONATION AWARENESS CAMPAIGN**

EUROPLASMA took part in the campaign to raise awareness about plasma donation as a member of IG Plasma, with a donation of € 15 000, and helped create a new IG Plasma website <https://www.plasmaspende.at/>. IG Plasma is the association of plasma producers in Austria. Its aim is to make a significant contribution to the security of supply of the precious raw material that is blood plasma, which is the basis for many therapies. In this context:

- TV ads (from 13 to 26 October, "PLASMA - MEHR ALS DU DENKST") were broadcast on the main Austrian channels Plus4 & PRO7, SAT1 Austria,
- A digital campaign was carried out on Facebook, Instagram Ads, Google Ads, YouTube.

## **RESULTS**

### **LFB in France**

- **Creation of a committee** bringing together blood donor organisations, patient associations and LFB.
- **Support for the action plans** of each patient association.

### **EUROPLASMA Subsidiary**

- Support through communications, awareness campaigns about plasma donation and contribution to IG Plasma, association of plasma producers in Austria.

## **KEY PERFORMANCE INDICATOR (KPI)**

### **LFB in France**

- **LFB's relations with 5 patient associations**
  - **Stable KPI** in 2020 compared to 2019 (5 relationships), also identical to 2018 (5). LFB participates in events alongside these associations: Multiple Myeloma Day, International Rare Diseases Day, etc.
- **LFB's relations with 3 blood donor organisations**
  - **KPI decreased in 2020 (-25%)**: 4 relationships in 2019. LFB participates in events with these organisations: National Congress of French Post Office and Orange Blood Donor Associations, Blood Donation Operation for the Armed Forces, etc.

### **EUROPLASMA Subsidiary**

- EUROPLASMA's relations with **1 blood donor organisation**

## **5.3. CONTINUED PARTNERSHIPS AND/OR SPONSORSHIPS**

This challenge for partnership initiatives is related to the section of the management report dealing with risks connected with partnership agreements.

### **Challenge**

LFB contributes to better care for patients with rare and serious chronic diseases through efforts to raise awareness among health professionals and support for therapeutic education projects for patients. One of LFB's important challenges is to maintain partnership and/or sponsorship relationships with its external stakeholders, despite a difficult financial context.

### **Policy**

LFB and EUROPLASMA support the initiatives of blood donor associations to promote blood and plasma donations.

### **Measures implemented**

#### **LFB in France**

LFB's support is reflected in a financial participation in certain operations carried out by the associations, including the organisation of annual congresses, in accordance with the guide of the EFPIA (European Federation of Pharmaceutical Industries and Associations).

It also participates in combating illness and suffering in hospitalised children thanks to the support of initiatives carried out by Rire Médecin (Doctor's Laugh) in paediatric haematology and immunology units. The governance of interactions between LFB and blood donor organisations and patient associations changed in 2020 with:

- The centralising of budgets and action plans within the Public Affairs department,
- The creation of an internal interaction committee which arbitrates requests for funding from patient associations.
- The limiting of contacts with blood donor and patient organisations to the Director of Public Affairs, Medical Directors and Scientific and Medical Affairs department.

Any partnership or sponsorship operation financed by the Group is formalised in a contract which specifies the purpose and the amount.

### **EUROPLASMA Subsidiary**

#### **CORPORATE CHARITY PARTNERSHIP**

**EUROPLASMA took part in "Licht ins Dunkel Firmenpartnerschaft"** with donation of € 20 000 as a "Ruby partner" of this eagerly awaited event. The philosophy of the "Licht ins Dunkel" association is to provide material support for families in great need in Austria. The organisation has been collecting donations for 47 years towards the goal of social cohesion. It is 98% recognised in Austria, very respected and has a very good image. It is the main charity event of the year.

[https://lichtinsdunkel.orf.at/partner/rubinpartner2020\\_100.html](https://lichtinsdunkel.orf.at/partner/rubinpartner2020_100.html)

#### **UNITED HEROES**

During the month of October, the EUROPLASMA teams accumulated a maximum of points with their "movements", which were converted into nearly € 4 000 divided between two associations at the end of the challenge:

- Austria: Österreichischen Hämophilie Gesellschaft (ÖHG), which represents the interests and concerns of people with congenital blood coagulation disorders in Austria, as well as their relatives and their medical or social caregivers. All the activities of the association are of a non-profit nature, and based on voluntary work and do not explicitly pursue any commercial interest.
- Czech Republic: Paediatric Cancer Association "Šance onkoláčkům": <https://www.nfsanceonkolackum.cz/podporuji-nas/>

## **RESULTS**

### **LFB in France**

- **10 initiatives** for patient associations.
- **2 initiatives** for international associations.
- **4 initiatives** for blood donor organisations.

		Patient associations					International Associations		Blood donor organisations			TOTAL
		ADAAT	AF3M	AFH	AFNP	IRIS	IPOPI	WFH	FFDSB	APTSA	ANCDB	
Number of support initiatives	2020	1	1	3	2	3	1	1	1	2	1	<b>16</b>
	2019	2	1	3	1	1	0	0	1	1	0	<b>10</b>

### **EUROPLASMA Subsidiary**

- **1 charitable partnership initiative** of companies in Austria
- **1 initiative** in Austria for a patient association (blood coagulation disorders)
- **1 initiative** in the Czech Republic for a paediatric cancer association.

## **KEY PERFORMANCE INDICATOR (KPI)**

### **LFB in France**

**+60% global support initiatives** for patient associations, international associations and blood donor organisations.

**+50%** agreements with blood donor organisations

### **EUROPLASMA Subsidiary**

**3 partnership initiatives** with Austrian and Czech associations.

## **5.4. PURCHASING POLICY**

### **Challenge**

In keeping with the Group's policy and strategy, the Purchasing department commits to:

- Ensure reliability of purchases from a panel of competent and competitive suppliers,
- Secure the procurement of Group supplies to ensure the continuity of production,
- Improve administrative, financial and contractual flows,
- Contribute to the control and improvement of the financial performance of LFB,
- Ensure that all purchases (materials and services) are properly authorised, evaluated and accounted for within the appropriate period of time,
- Protect the interests of LFB by maintaining long-term relationships with suppliers and service providers and promoting the external image of LFB,
- Include, defend and promote the Group's "Corporate Social Responsibility" (CSR) values in relations with suppliers (Responsible Purchasing Charter, Sustainable Development, Ethics, Transparency).

### **Policy**

#### Responsible Purchasing

To meet the Group's CSR challenges, LFB develops responsible purchasing and promotes balanced relations with its suppliers, subcontractors and service providers. This commitment made by the Purchasing department is based on the Group's Supplier Relations Charter that was last revised in November 2020. This charter defines 10 good practices, from the principle of ethical business to the consideration of environmental issues.

Thus, the purchasing process relies on:

- Ethics, fairness, transparency and business loyalty,
- Consideration of social and environmental criteria,
- Development of purchasing from companies in the protected and adapted sector,
- A complete cost approach where possible,
- Purchases favouring local businesses and SMEs,
- Awareness of responsible purchasing.

To structure and promote this approach within the company in 2020, the Purchasing department:

- Maintained a reference buyer for responsible purchases,
- Redesigned the Supplier Relations Charter,

- Contracted with a supplier CSR assessment platform. Scheduled the launch of the 1st campaign for 2021,
- Joined the OBSAR (Responsible Purchasing Observatory) Association.

### **Measures implemented**

Several purchases have illustrated the Group's CSR initiatives:

- Supply contract for renewable electricity of French origin for the Group's two main plants,
- Installation of electric charging stations for employees,
- Sharing of a shuttle for transportation with companies located near the site,
- Contract for waste management allowing better sorting and recovery of non-hazardous waste at the Les Ulis site.

### **Reinforced role and responsibilities of Purchasing during the health crisis**

In the context of the health crisis, the LFB Purchasing department has organised itself to:

- Guarantee the continuity of supplies (prioritisation and adjustment of needs to avoid shortages, follow-up of orders, etc.) of products used in the production of medicinal products,
- Maintain the services required for proper functioning of the sites,
- Increase communication and exchanges with suppliers concerned by the increase, reduction or suspension of some of their services. In the last two cases, LFB covered at least the fixed costs of the services.
- Search for new suppliers, in particular to meet the needs generated by the crisis (for example for the purchase of masks, PPE and hand sanitiser gels).

## **RESULTS**

Overall data and performance indicators for responsible purchasing:

- **€ 212.63 million**, amount of purchases in 2020 (€ 242.50 million in 2019)
- **1 937 active suppliers** in 2020 (2 183 in 2019)

These data correspond to purchases made in France, excluding plasma.

- **Mean supplier payment time: 49 days in 2020** (same as 2019)

The average recommendation for the payment period is 60 days from the date of issue of the invoice in accordance with the law of 4 August 2008 on the modernisation of the economy (LME), as defined in article L441-6 of the French Commercial Code.

## **KEY PERFORMANCE INDICATORS (KPIs)**

- Share of purchases in turnover from SMEs: **41% in 2020** (37% in 2019)
- Share of purchases from the disability sector: **0.58% in 2019** (0.84% in 2018)

This share was calculated taking into account the legal obligation of 6% employment of people with disabilities and therefore of LFB's overall workforce. The data for 2020 are not yet available.

Purchasing indicators	2020	2019
<b>Recommendations under the LME*</b>	<b>60 Days</b>	<b>60 Days</b>
Mean supplier payment time	49 Days	49 Days
Share of SME purchases in Turnover out of total purchases	41%	37%
<b>Recommended purchases from the disability sector</b>	<b>0.80%</b>	<b>0.80%</b>
Share of purchases from the disability sector	0.58% (2019)	0.84% (2018)

LME: Law on Modernisation of the Economy (LME, LAW No. 2008-776 of 4 August 2008)

## 5.5. MEASURES TO COMBAT CORRUPTION

The challenge of corruption is related to the sections of the management report concerning:

- o Ethics and compliance risks
- o Risks related to litigation and disputes.

### Challenge

In compliance with laws and regulations in force, senior management has committed to implement all necessary actions to demonstrate LFB's ethical commitment to patients, healthcare professionals, its employees, partners and shareholder.

In this context, the prevention of corruption is a major commitment for LFB.

### Policy

As a drug company, LFB is subject to stringent anti-gift regulations. This means that LFB has procedures and operational measures in place to prevent acts of corruption aimed at healthcare actors in particular. In accordance with the French so-called Sapin 2 law, LFB has put in place a corruption prevention plan led by the Legal Affairs and Conformity department.

### Measures implemented

LFB has thus adopted, among other measures, a corruption risk map, an anti-corruption code of conduct (translated into English, Spanish, German and Czech) and a procedure for assessing the integrity of third parties. A professional whistleblower hotline has also been set up through which any employee can report to the Compliance department any fact likely to adversely affect the Group's activities or responsibility. The Group's corruption risk map was updated in 2020, following in particular the reshuffling of the governing body, the general reorganisation and the refocusing of the Group's activities. LFB's Corporate Charter, which also incorporates the Group's anti-corruption principles, is currently being updated.

The third party integrity assessment procedure, which is applicable to the Group's French companies, assesses new third parties considered for work with LFB before any contract is signed and progressively reassesses third parties with existing contracts in the order of their priority.

### Impact of the health crisis

The health crisis caused by the coronavirus has had a limited impact on LFB's commitment to combating corruption: the main objective for 2020, namely to update the corruption risk map, was completed and training was completed remotely.

## RESULTS

### Continuation of training:

- Training in several compliance topics: prevention of corruption, anti-gift system, GDPR, transparency of ties
  - **14 people** in the France Operations department (13/01/2020),
  - **17 people** in the International Operations department (26/02/2020)
- **Two new managers** trained in the anti-corruption code of conduct (08/09 and 09/10)
- **177 people: E-learning on conflicts of interest** (from 29/04 to 29/06)
- **Remote information webinars** on the third party integrity assessment procedure (in connection with the prevention of corruption)

Continuation of the professional whistleblower system and opening of a whistleblower hotline in 2018: [alert-compliance@lfb.fr](mailto:alert-compliance@lfb.fr)

## KEY PERFORMANCE INDICATORS (KPIs)

- **12% of people trained** in the prevention of corruption in 2020 (number of people trained in France (210 / 1747) x 100)

### 5.6. COVID-19 MEASURES

#### LFB in France and EUROPLASMA Subsidiary

Convalescent plasma can be used in two different ways. One way is to administer it directly to patients with acute illnesses such as COVID-19 in the hope of successfully combating the disease. This approach is suitable for acute treatments.

The other option is to use it to create a potential Hyperimmunoglobulin (H-IG) therapy for people infected with COVID-19. This would protect patients who have not yet formed antibodies against the coronavirus.

To this end, EUROPLASMA and LFB joined forces with the main plasma donation institutions and manufacturers of plasma-based drugs (BIOTEST, BPL, OCTAPHARMA, TAKEDA and CSL BEHRING) to form the Plasma CoVlg-19 Alliance to pursue the development of an unbranded anti-SARS-CoV-2 hyperimmunoglobulin drug, which is currently being tested in clinical trials.

Hyperimmunoglobulins are highly enriched antibodies against a specific pathogen. After donation, plasma from recovering patients is transported to manufacturing facilities where it is pooled. During the

manufacturing process, virus-specific antibodies are concentrated from the plasma from all recovering donors. The plasma then undergoes efficient virus inactivation and removal processes before the finished medicinal product is manufactured. These processes are designed to ensure the quality and safety of the final product.

## 5.7. IMPACT OF COVID-19 ON EUROPLASMA

In 2020, the volume of donations at EUROPLASMA sites was strongly impacted by the health crisis caused by the coronavirus epidemic. Lockdowns, curfews and border closures had an impact on the flow of people willing to come and donate. The implementation of security measures at plasma sites (spacing of donation beds, distribution of masks, limitation of waiting times for donors, etc.) has also somewhat reduced our collection capacities. One clear priority influenced the decisions of EUROPLASMA: protecting its donors and employees.

On the whole, the volume collected by EUROPLASMA was down by -30% compared to 2019, which can be analysed as follows: -15% similar to that of competing sites in the EU and -13% linked to the sole impact of the closure of borders which resulted in the partial or temporary closure of some of its sites. At the end of December, a partial unemployment scheme was still in progress in the two largest sites in Austria (Hainburg and Retz).

With the exception of border sites (which represent 40% of volumes), a gradual trend towards recovery was observed starting in the end of the summer. This recovery is illustrated by the higher number of new donors registered in the last quarter of 2020 compared to 2019. In December, the two sites in Prague even exceeded the volume collected in the same month in 2019 by +12%.

In Lower Austria and Vienna, production was transferred from the sites to LFB and the first collections of plasma for LFB began in early January 2021. With this change, EUROPLASMA is now fully at the service of LFB, with the exception of two sites in Southern Austria which are still committed to serving TAKEDA until 2022.

Despite the second wave of COVID-19 and the resulting further decline in production figures, the financial results at the end of December were slightly higher than those announced in the latest forecast for 2020, thanks in particular to the government's support policy and to better performance in the platelet production activities.

## 6. CONCLUSION AND OUTLOOK

---

### 6.1. OUR RESULTS

#### RECOGNISED VALUES

Employees, future hires, customers, and more broadly all stakeholders can trust LFB: the company seeks, in keeping with its values, to establish itself as a partner of their success and development.

#### A SUSTAINABLE DEVELOPMENT CHALLENGE

Control of water and energy consumption, reduction of greenhouse gas emissions, waste management... LFB continually strives to reduce its environmental impact and, since 2011, its carbon footprint has fallen sharply. LFB's recycling of non-hazardous waste more than doubled from 25% to 59.9% between 2018 and 2019, and it remained stable in 2020.

The industrial sites of Les Ulis and Lille now consume 100% renewable electrical energy of French origin. **The first CSR training** offered to LFB employees (France scope) between November 2020 and January 2021 was attended by nearly **70% of employees** with a **success rate close to 85%**. **In addition, 75% of participants** said they were satisfied with this CSR training and **82% were pleased** that LFB is committed to a policy of Corporate Responsibility. **Employee satisfaction is one of our core challenges.**

The following are proof of CSR awards received by LFB:

		<b>RAPPORT D'AUDIT DE CONFORMITE</b>			
But	Vérifier la conformité de l'Indice Vert obtenu par CAHPP				
Type audit	Audit de conformité				
Domaine à auditer	Société LFB BIOMEDICAMENTS et la conformité au déclaratif porté dans l'indice Vert				
Date de la visite d'audit	29 mai 2018				
Auditeur(s)	Cathy BOU, Emilie Baude				
Audité(s)	Liste personnes auditées et agenda page 5 de ce document				
Référentiel documentaire	Indice Vert et référentiel exemplarité				
Nom du service/processus/autre audité	Société LFB BIOMEDICAMENTS				
Conclusion de l'audit	<p>Aucune non-conformité n'est constatée, des points forts notables et des axes d'amélioration au-delà de l'Indice Vert pour tendre vers l'exemplarité</p> <p>Note obtenue : 94 % Niveau : <b>exemplarité</b></p> <p>L'audit valide la conformité à l'Indice Vert obtenu en 2017 de 87.1 % avec un niveau A++</p> <div style="text-align: center;"> </div>				
Date du rapport	22 juin 2018	Signature du responsable de l'audit			



# INDICE VERT 2020



## LFB - BIOMEDICAMENTS

obtient le **Label Indice Vert A++** pour l'année 2020.

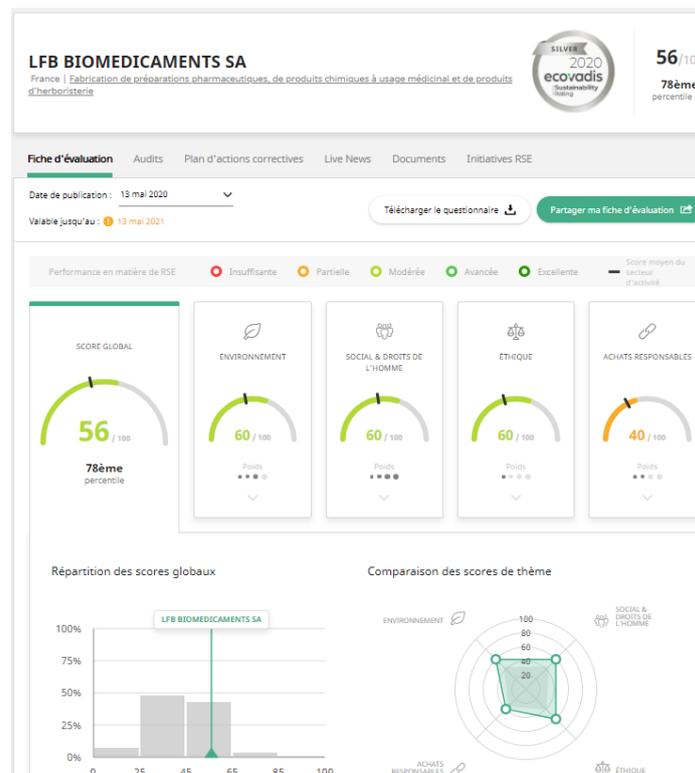
Le Label Indice Vert mesure le degré d'engagement de l'entreprise en matière de RSE et d'Achats Responsables

**Avec la note de : 93 /100**

Jeudi 10 décembre 2020

Yvon Bertel-Venezia, PDG CAHPP

20, 22 rue Richer 75009 Paris | Tél. : 01 55 33 60 00 | [www.cahpp.eu](http://www.cahpp.eu)



## 6.2. A RESPONSIBLE FUTURE

### **LFB is carrying out its strategic transformation project and preparing for future growth.**

LFB sees the sharing of its values as the foundation for improving its performance and meeting its goals:

- The continued prioritisation of industrial activities to support market growth and to once again become a key player in plasma fractionation.

An industrial investment plan in France to build a new plant in Arras has been implemented. These investments will enable LFB to triple its production capacity to achieve growth and offer its medicinal products to patients. LFB plans to create 250 jobs by 2024.

- Refocusing its activities on its core business, plasma-derived or recombinant medicinal products.

LFB's goal is to ride this new wave of enthusiasm to accelerate its development in the coming years, in order to continue fulfilling its mission: to offer life-saving medicinal products for patients suffering from serious and often rare pathologies.

- Consolidation of LFB's leadership in France and selective international development.

In France, consolidating LFB's leadership will involve reclaiming market shares, winning back customers and maximising the potential of its existing drug portfolio.

This ambition will be based in particular on maintaining a solid commercial presence, focusing on priority products and customers.

Internationally, LFB follows a selective strategy by focusing on certain markets with its key medicinal products.

In a process of continuous improvement of its CSR performance, LFB continues to strengthen its actions and approach to social responsibility for the years to come. It is fully committed to serving the health of patients.