

# ESG REPORT

## 2022



  
MedinCell



# Introduction

MedinCell's purpose is to provide "Better Medicine for All".

Here at MedinCell, it means developing innovative therapeutic options that can address unmet needs, whether in developed countries or LMICs. Using our BEPO® technology, we are currently developing a portfolio of Long-Acting Injectable products. These products have the potential to: ensure patient compliance to treatments, one of the major Global Health challenges according to WHO; improve the effectiveness and accessibility of treatments; and reduce the environmental footprint of medicines.

From its inception, MedinCell chose a sustainable company model to support its purpose. We have preserved our independence to ensure that a purely financial motivation would not divert us from our purpose. All our employees, 155 to date encompassing 30 different nationalities, are, or will soon become, shareholders; most of our former employees still are. Their strong commitment and the sharing of the value created have always been instrumental to our success. In addition, we have developed a strong network of tier one partners from academia, the pharmaceutical industry and also global foundations and agencies such as the Gates Foundation and Unitaïd. Together, we strive to contribute to and make progress on the Sustainable Development Goals, in particular Goal No. 3: Good Health and Well-being - ensure healthy living and promote well-being for all ages.

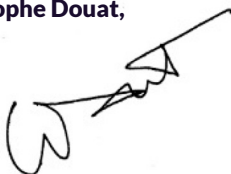
CSR is not a new trend at MedinCell, it is at the core of our Company model. But as the Company grows, we must consolidate our CSR strategy and commitments. This past year, we have strived to improve the transparency and sustainability of our corporate governance and business ethics, and have designed a compensation model linked to CSR objectives. We have oriented part of our research activities to further minimize the environmental footprint of our investigational products, etc.

With the publishing of this report, we again express our intent to support the ten principles of the UN Global Compact over this coming year, and, by integrating them within our strategy, we play our part in helping to deliver the SDG's.

The following information describes the efforts and actions undertaken this year towards progressing social, environmental and governance matters, and reports on our overall sustainability performance.

**Christophe Douat,**

CEO



*This report contains forward-looking statements, including statements regarding the Company's expectations for (i) the timing, progress and outcome of its clinical trials; (ii) the clinical benefits and competitive positioning of its product candidates; (iii) its ability to obtain regulatory approvals, commence commercial production and achieve market penetration and sales; (iv) its future product portfolio; (v) its future partnering arrangements; (vi) its future capital needs, capital expenditure plans and ability to obtain funding; and (vii) prospective financial matters regarding our business. Although the Company believes that its expectations are based on reasonable assumptions, any statements other than statements of historical facts that may be contained in this presentation relating to future events are forward-looking statements and subject to change without notice, due to factors beyond the Company's control and the Company's financial capabilities. These statements may include, but are not limited to, any statement beginning with, followed by or including words or phrases such as «objective», «believe», «anticipate», «expect», «foresee», «aim», «intend», «may», «anticipate», «estimate», «plan», «project», «will», «may», «probably», «potential», «should», «could» and other words and phrases of the same meaning or used in negative form. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that may, if any, cause actual results, performance, or achievements to differ materially from those anticipated or expressed explicitly or implicitly by such forward-looking statements. A list and description of these risks, contingencies and uncertainties can be found in the documents filed by the Company with the Autorité des Marchés Financiers (the «AMF») pursuant to its regulatory obligations, including the Company's registration document, registered with the AMF on September 4, 2018, under number I. 18-062 (the «Registration Document»), as well as in the documents and reports to be published subsequently by the Company. In particular, readers' attention is drawn to the section entitled «Facteurs de Risques» of the Registration Document.*

*Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. Except as required by law, the Company does not undertake any obligation to publicly update these forward-looking statements or to update the reasons why actual results could differ materially from those anticipated by the forward-looking statements, including in the event that new information becomes available. The Company's update of one or more forward-looking statements does not imply that the Company will make any further updates to such forward-looking statements or other forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.*

*This report is for information purposes only. The information contained herein does not constitute an offer to sell or a solicitation of an offer to buy or subscribe to the Company's shares in any jurisdiction, in particular in France. Similarly, this report does not constitute investment advice and should not be treated as such. It is not related to the investment objectives, financial situation, or specific needs of any recipient. It should not deprive the recipients of the opportunity to exercise their own judgment. All opinions expressed in this document are subject to change without notice. The distribution of this report may be subject to legal restrictions in certain jurisdictions. Persons who come to know about this report are encouraged to inquire upon and required to comply with, these restrictions.*

The Company, MedinCell S.A. is a French limited company with an Executive Board and Supervisory Board, whose registered office is located at 3, rue des Frères Lumière, 34830 Jacou, France. It has been listed since October 8th 2018 on the regulated market of Euronext in Paris under the ISIN code FR0004065605 and the ticker MEDCL and on Compartment B since 2021.

The consolidated financial statements of the MedinCell Group for the year ending March 31st 2022 were approved by the Executive Management Board on June 13<sup>th</sup> 2022 and which subsequently authorized their publication. They will be presented for approval at the Annual General Meeting of shareholders, scheduled for September 8th 2022.

Given its size (personnel <500 and turnover < 40 million euros), the Company is not bound by the obligation to draw up the Declaration of Extra-Financial Performance (DPEF) provided for in Article L. 225-102 of the French Commercial Code. The information contained within this document is established under the provisions of Article L.225-100-1 2 ° and 4 ° of the French Commercial Code.

This presentation describes the Company's social, environmental and societal indicators for the financial year as of March 31st 2022.

## Referential framework and annual activity report

The extra-financial activity report was drawn up in application of the provisions of the MiddleNext Code, Article L.225-102-1 of the French Commercial Code, and with reference to Articles L.205-102-1, R.225-105 and R.225-105-1 relating to the transparency obligations of companies in social and environmental matters, and on the methods of verification.

The results of these indicators refer to the requirements of the decree implementing Article 225 of the Grenelle II law and takes into consideration the nomenclature of the law on energy transition and green growth, and the Pacte law of May 22nd 2019.

The consolidated activity report for 2021 covers the entire MedinCell company and supports our first Communication On Progress (COP) as part of our ratification of the UN Global Compact.

Tables of correspondence with the GRI, SDG, UN Global Compact and ISO 26000 standards are available on page 92.

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# ESG HIGHLIGHTS

## BETTER MEDICINE FOR ALL

Addressing unmet needs with innovative treatments

## OUR STRENGTH IS OUR PEOPLE

Focusing on our employee well-being and development



**84%**

of employees are shareholder

**2.6 DAYS**

of training per employee on average



**8** human health products in development



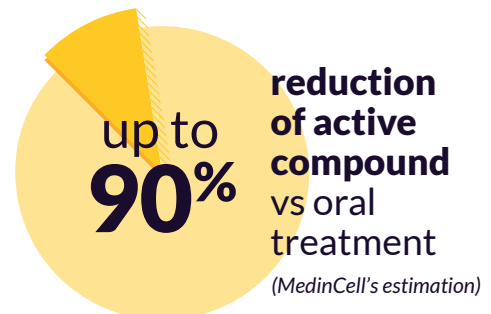
**4** based on WHO essential medicine list



**2** programs with Global Access Strategy

## IMPACT TECHNOLOGY

Reducing environmental footprint of treatments



researchers working on enabling technology with reduced environmental footprint

WE SUPPORT



**4 United Nations Sustainable Development Goals directly addressed**

## ESG 2021 PERFORMANCE

	Score	Previous year	Benchmark
ISS ESG	<b>C</b>	n.a.	Sector ranking: Top 30%
Gaia Rating	<b>66</b>	60	National : 58 Sector : 49



# SUSTAINABLE DEVELOPMENT GOALS



3 • We develop innovative and affordable medicine and strive to make them as accessible as possible.

5 • We strive to empower women by developing a contraceptive product that meets their needs and is widely available.

6 • BEPO®, our Long-Acting Injectable technology, addresses the issue of water contamination due to pharmaceutical residues through significantly reducing the amount of active ingredient needed in comparison to oral treatments.

17 • We promote collaboration by developing a high-value network of partners from the pharmaceutical industry, academia, NGOs, etc.



# 1. Raison d'être and values

MedinCell is developing a new generation of long-acting injectable treatments in several therapeutic areas with the aim of having a positive impact on the lives of patients, their entourage and society. The technologies developed by MedinCell also aim to promote the widest possible access to quality treatments. Due to historical factors and those related to its activities, MedinCell has always had a strong commitment to the company and its employees.

Following the rapid growth of the Company, and given the interest aroused by the business model in operation since its creation in 2002, MedinCell committed in 2018 to the formalization of its corporate social and environmental responsibility («CSR»).

At the General Meeting held on September 5<sup>th</sup> 2019, MedinCell's shareholders voted to include the Company's purpose (raison d'être) in its Articles of Association:

**« Our mission is to contribute to the improvement and protection of the health of populations across the world. The fair sharing of the value created with all our employees is the foundation of our business model. The sustainability of MedinCell is an essential condition for achieving our objectives. »**

The founders, managers and employees of MedinCell are also united on a daily basis by strong values.

## Power of the group

Challenge, stimulation, sharing ideas and listening attentively allow us to be smarter and stronger in terms of decision-making and implementation.

## Purposeful innovation

Our science is carried out with a concrete purpose; our mission is to manufacture medicines beneficial to patients.

## Trust

We trust each other from the very first interactions. As we are all shareholders of the Company, our interests are aligned.

## Directness and transparency

We have the courage to share our ideas and thoughts directly with those concerned.

## Respect

We act, interact and speak with the consideration that we expect from others. We are attentive to individual sensitivities and personalities, to cultural origins, to gender equality and we accept any differences.

## Adaptability

We accept uncertainty and are ready to adapt at any time. Our ability to adapt is essential to our strategy.

## Go beyond

We are proactive. We seek and propose, as far as possible, solutions to any problems we face.

## Fun

We want to take pleasure and be satisfied in our work when facing new challenges and developing relationships with our colleagues. Well-being at work is essential and contributes to our performance.

# 1.1 Summary for the year

The year 2021-2022, although strongly marked by the Covid-19 pandemic undermining certain operational aspects, was remarkable in terms of strengthening our environmental, social, and good corporate governance commitments, and also that of our purpose. Thus, the cornerstones of their perennity have been laid: the creation of CSR governance, the strengthening of the steering team, reflection on the integration of CSR objectives in remuneration, the formalization of our code of ethics and code of conduct, the ratification of the United Nations Global Compact, detailing of our environmental impact.

In addition, the first large-scale clinical data (phase 3) of the most advanced product using our BEPO® technology confirmed its positive impact on health and its societal potential.

## **mdc-IRM: first treatment based on BEPO® technology**

- Subcutaneous Risperidone LAI (Long Acting Injectable) for the maintenance treatment of schizophrenia
- Developed in collaboration with Teva Pharmaceuticals since 2013
- Positive Phase 3 results with up to 80% reduced risk of relapse compared to placebo
- U.S. marketing application is under review by the FDA

## **Benefits and differentiation with BEPO® technology**

- Prefilled syringe
- Low injection volume (0.1 - 0.7 ml)
- Small needle (16mm ; 21 gauge) for subcutaneous injection

## **Benefits of Implementation**

- Therapeutic levels achieved within 24 hours of first injection
- Flexibility with monthly and bi-monthly products
- Flexibility regarding injection site
- Multiple dosing corresponding to oral risperidone
- No reconstitution necessary
- Can be left out of the fridge for up to 90 days



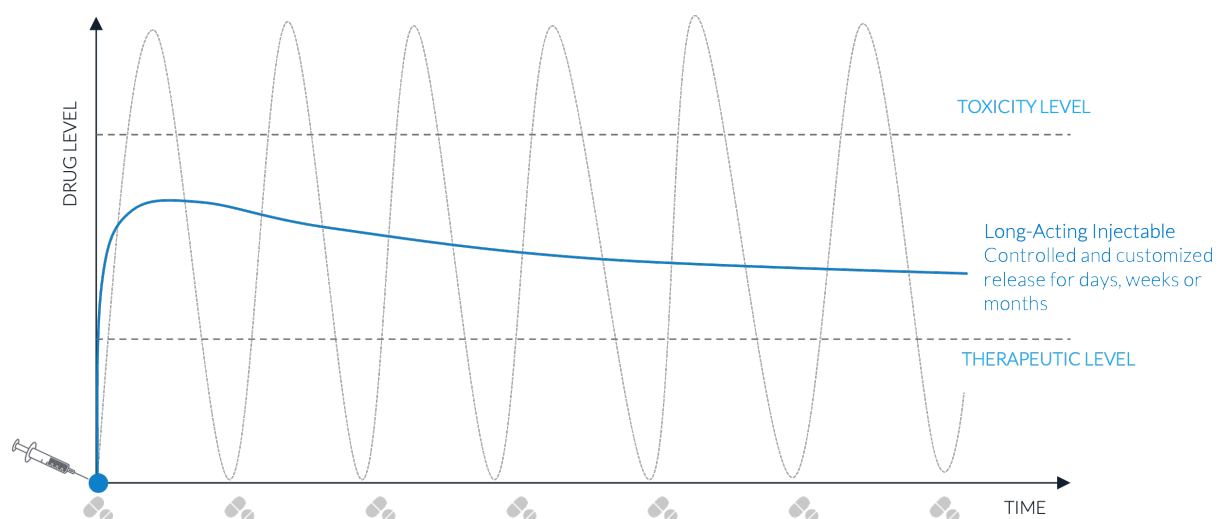
## 2. Sector activity and summary of economic data

## 2.1 A technological platform opening up a multitude of opportunities

*MedinCell is a clinical-stage pharmaceutical technology company developing a portfolio of long-acting injectable products in different therapeutic areas by combining its BEPO® technology with already known and marketed active ingredients.*

The BEPO® technology allows the control and guarantee of a regular delivery of an optimal therapeutic drug dose over the course of several days, weeks or months. A simple deposit of polymers of only a few millimeters, entirely bioresorbable, is enabled via a subcutaneous or local injection. Through this controlled and prolonged release of the active ingredient, MedinCell makes medical treatments more efficient, notably through improved therapeutic compliance, i.e., respect of medical prescriptions, and a significant reduction in the quantity of drug required in the context of a local or chronic treatment.

→ The controlled release of the active ingredient over the entire desired duration makes it possible to maintain the concentration of active ingredient in the therapeutic window, i.e., above the therapeutic threshold and below the toxicity threshold, thus avoiding undesired variations in concentrations.



→ A long-acting subcutaneous injection, which allows systemic action, is an alternative to conventional methods of taking medication, most of which are administered orally. It aims to increase the efficiency of treatment by improving therapeutic compliance throughout the recommended period, currently a major global health challenge.

→ The local injection with prolonged action makes it possible to administer an active ingredient directly in the targeted zone, for example intraarticularly or perineurally, in particular within the contexts of surgical interventions or in chronic localized pain. The objective is to significantly reduce the amount of drugs compared to that which would have to be administered orally or intravenously to achieve the same effect, while limiting in particular the side effects related to peak toxicity.

## 2.2 Economic data

The table below shows the Company's main economic indicators. Further and more complete data are available in the annual Universal Registration Document accessible via: <https://www.medincell.com/en/investors/>.

Consolidated economic data - IFRS	2022/2021	2020/2021
Consolidated turnover	4 091 k€	8 186 k€
Current operating income	-23 812 k€	-15 368 k€
Current operating margin	-582,06%	-187,67%
Net income/loss	-24 806 k€	-19 020 k€
Equity	-13 371 k€	8 916 k€
Total financial debt (CT & LT)	44 013 k€	42 250 k€
Treasury	24 617 k€	47 095 k€
Gearing <sup>1</sup>	-145,06 %	-54,26%
Total Balance Sheet	44 303 k€	63 606 k€
Share price as of 31/03	7,42€	11,7€
Dividend per share	0	0
Market capitalization at 31/03	193 450 k€	302 381€
Share of audit costs/auditors' costs	<b>100%</b>	<b>68,44%</b>

For the financial year of 2021, the Company has a consolidated statement of revenue of € 4 091 k and a net loss of €24 806 k. No dividends have been paid since the Company was founded. Due to its size, the Company is eligible for the SME PEA (equity savings plans) scheme.

<sup>1</sup>(Financial debt - Treasury) / Equity x 100



# 3. Governance

# 3.1 Composition and independence of governance structures

*MedinCell has a dual governance structure consisting of a Supervisory Board and an Executive Board. In addition, the “MedinCell Leadership Team”, composed of 9 members (including the members of the Executive Board), acts as a decision-making body.*

The Company is in compliance with the recommendations of the Corporate Governance Code and the MiddleNext Governance Code.

To the Company’s knowledge, there are no current or potential conflicts of interest between the duties of the Company and the private interests and/or other duties of any members of both the Supervisory Board and the Executive Board. These members are currently not subject to any penalties or sanctions that would be contrary to the exercise of their mandate.

More complete information is available in the annual URD accessible via the investor website: [www.medicell.com](http://www.medicell.com)

## Members of the Supervisory Board

### Anh Nguyen

- Chairman of the Supervisory Board
- Member of the Compensation Committee
- Member of the Audit Committee
- **Independent: No**

### Sabri Markabi

- Vice-President of the Supervisory Board
- **Independent: Yes**

### Crédit Mutuel *represented by Karine Lignel and then by Jérôme Féraud*

- Member of the Supervisory Board
- Member of the Audit Committee then N/A
- **Independent: No**

### Philippe Guy

- Member of the Supervisory Board
- Chairman of the Audit Committee
- Member of the ESG Committee
- **Independent: Yes**

### Virginie Lleu

- Member of the Supervisory Board
- Chairwoman of the Compensation Committee
- **Independent: Yes**

### Elizabeth Kogan

- Member of the Supervisory Board
- Member of the ESG Committee
- **Independent: Yes**

## Members of the Management Board

### Christophe Douat

→ Chairman of the Executive Board

### Jaime Arango

→ Member of the Executive Board

→ Chief Finance Officer

### Joël Richard

→ Member of the Executive Board

→ Chief Scientific Officer

### Franck Pouzache

→ Member of the Executive Board

→ Chief People Officer

## Audit Committee

The Audit Committee monitors matters relating to the preparation and control of accounting and financial information. Its mission is to make recommendations to the Supervisory Board in its tasks of controlling and auditing the management of the Company, as provided for by the law and the Company's Articles of Association. The Audit Committee shall meet when the Chair of the Audit Committee or the Supervisory Board deems it appropriate, and at least twice a year, in particular before the publication of the company and consolidated accounts.

## Compensation Committee

The Compensation Committee is responsible for making recommendations to the Supervisory Board on the appointment and remuneration of the executive corporate officers, members of the Executive Board and other operational and functional directors, as well as on the internal remuneration strategy. The Compensation Committee shall meet when the Chair of the Compensation Committee or the Supervisory Board deems it appropriate and at least twice a year.

## ESG Committee

The newly created ESG Committee is detailed in the CSR governance below page 27.

## Composition of governance and management bodies

31/03/2022

31/03/2021

### Composition of the Supervisory Board

Number of members (excluding censors)	6	6
Number of women	2*	3
Number of executive members	0	0
Number of external members	4	4
Number of independent members	4	4
Number of women - independent or external	2*	2
Number of members (non-executive) representing the founders	1	1
Number of employee representatives with voting rights	0	0
Number of members representing other shareholders (excluding Founders)	1	1
Number of censors	1	1

### Independence of the Committees

Independence of the Remuneration Committee	50%	50%
Independence of the Audit Committee	50%	33%
Independence of the ESG Committee	100%	N/A

### Composition of the Executive Board

Number of members	4	4
Number of women	0	0

### Composition of the Management Leadership Team

Number of members	9	N/A
Representation of women	33%	N/A

Crédit Mutuel Innovation has a seat on the Supervisory Board and was represented until November 2021 by Mrs. Karine Lignel, subsequently succeeded by Mr. Jérôme Feraud.

*\*After year-end closing of accounts, Crédit Mutuel Innovation resigned its seat on the Supervisory Board. On June 13<sup>th</sup> 2022, the Supervisory Board nominated Ms. Tone Kvåle as a replacement; this appointment will be subject to ratification by the General Assembly on September 8<sup>th</sup> 2022.*

*Mr. Franck Sturtz left his position as censor on April 28<sup>th</sup> 2021. Mr. Richard Malamut was appointed censor in September 2021.*

## MedinCell Leadership Team

Created in January 2022, the MedinCell Leader Team (MLT) acts as the decision-making body of the Company. This team of 9 members, 6 men and 3 women, is composed of the main heads of departments. The MLT meets every two weeks, or on an *ad hoc* basis to decide in a collegial manner the strategic orientations of the Company. It is also a space for exchanges and diffusion of information between the different departments.

Members of the MLT	Position
Julie ALIMI	Head of Legal
Jaime ARANGO	Chief Financial Officer
Christophe DOUAT	Chief Executive Officer
Quiterie DE BEAUREGARD	Head of Portfolio
Sébastien ENAULT	Chief Business Officer
Adolfo LOPEZ-NORIEGA	Head of Research
Helen MARTIN	Head of Alliance Management
Franck POUZACHE	Chief People Officer
Joël RICHARD	Chief Scientific Officer

## 3.2 Breakdown of share capital and voting rights

The following table summarizes the distribution of the company's share capital and voting rights at the end of the fiscal year:

Since October 2018, the Company has been listed on the stock exchange, and at the end of the financial year, no shareholder individually holds control of the Company, nor a percentage likely to give rise to presumption of control of the Company as stated in the terms of Article L. 233-3 of the French Commercial Code.

Capital Holding, Undiluted basis	2022/2021	2021/2020	2022/2021	2021/2020
	Number of Shares		Voting rights	
Share of capital held by Founders and families	15%	16%	19%	21%
Share of capital held by all Board members	3%	3%*	4%	4%
Share of capital held as treasury stock	0%	0%		
<b>Share of capital held by other shareholders holding at least 5% of the total shares</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>
Of which 1 former affiliate (censor)	5%	5%*	6%	6%
Of which Crédit Mutuel Innovation	6%	6%	6%	6%
Share of capital held by employees (excluding Boards members)	5%	4%	5%	5%
Share of capital held by former employees, consultants and affiliates	20%	22%	26%	28%
Share of free float (shareholders holding less than 5% of total securities)	45%	44%	33%	36%
Including funds managed by Seventure Partners	4%	4%	3%	3%
Including the sum of funds managed by Mirova	8%	8%	5%	5%
Including BNP Paribas Développement	4%	4%	5%	5%
<b>Control of capital (&gt;=34% ownership) by a shareholder or group of shareholders</b>	<b>NO</b>	<b>NO</b>		
Number of shares comprising the capital (in units)	25 148 703	22 044 349		
Number of shares including dilutive instruments (in units)	26 071 397	25 844 559		

\*For the year 2021, a censor on the Supervisory board is recorded as an affiliate holding at least 5% of the Company's capital and who is not a member of the Executive.

In accordance with the provisions of Article L.271.4. 225-123 of the Commercial Code and Article 10.2 of the Articles of Association, a double voting right is granted to shares registered for at least two years in the name of the same person.

In addition, under the Shareholders Agreement concluded on July 13<sup>th</sup> 2018 between all individual and institutional shareholders on said date, and which entered into force on October 3<sup>rd</sup> 2018 at the time of the Company's IPO, several provisions remain in force until September 30<sup>th</sup> 2024:

- a right of first refusal in favor of the parties of the Shareholders Agreement until September 30<sup>th</sup> 2024, on the shares subject to an off-market transfer of more than 0,50% of the capital,
- a right of first offer granted by Crédit Mutuel Innovation, Fonds Seventure and BNP Paribas Développement for the benefit of Mr. Anh Nguyen until September 30<sup>th</sup> 2024.

# 3.4 Management Compensation

## Compensation awarded in respect of the mandate of a member of the Supervisory Board

The total amount of compensation (formerly known as attendance fees) allocated annually to members of the Company's Supervisory Board is distributed and paid in accordance with the Rules of Procedure of the Supervisory Board. This distribution shall take into account in particular participation in the work of the Executive Board and the Committees.

## Compensation of the members of the Executive Board

The structure of the compensation of executive and corporate officers is reviewed each year by the Supervisory Board, which determines the various elements, based on the recommendations of the Compensation Committee. This structure ensures a link with the Company's performance and the maintenance of the balance between short-term and medium-term performance.

It is specified that in accordance with Article L. 22-10-26 of the French Commercial Code, the compensation policy of corporate executive and non-executive officers is subject to the approval of shareholders. Any variable compensation may only be paid to executive and corporate officers subject to the approval of the shareholders at the General Meeting, in application of Articles L. 225-100 and L. 22-10-34 of the French Commercial Code.

**The annual fixed compensation** of the executive board chair is set by a corporate officer agreement in his

capacity as Chairman of the Executive Board, which may be amended, as required, by the Supervisory Board on the recommendation of the Compensation Committee. The fixed annual remuneration of the other members of the Executive Management Board is fixed under their employment contracts.

**Variable compensation** paid to executive corporate officers, as well as to employees of the Company, is allocated quarterly in the form of bonuses which are conditional to the achievement of performance objectives. Information on the details of such objectives and their evaluation criteria is both strategically and economically sensitive and cannot be made public. From the current year, a proportion of this remuneration will include a CSR component.

**The long-term compensation policy** put in place for the CEO and corporate executive officers is principally based on the allocation of bonus shares, the definitive acquisition of which is subject to the Supervisory Board's determination, upon the recommendation of the Compensation Committee. Where applicable, the definitive acquisition is also subject to the fulfilment of performance conditions set by the Supervisory Board at the time of attribution and aligned with the performance criteria. The Supervisory Board may, if necessary, decide that certain performance conditions concern only a part of the allocation granted to executive officers, in accordance with the principles set out in the MiddleNext Code.



Compensation in Euros	2022/2021	2021/2020
<b>Remuneration of members of the Supervisory Board</b>		
Individual compensation of Anh Nguyen	109 735	115 550
Individual compensation of Sabri Markabi	15 000	15 000
Individual compensation of Philippe Guy	15 000	15 000
Individual compensation of Virginie Lleu	15 000	15 000
Individual compensation of Elizabeth Kogan	10 000	N/A
Individual compensation of Karine Lignel	0	0
Individual compensation of Jérôme Feraud	0	N/A
<b>Overall amount of compensation paid to members of the Supervisory Board</b>	<b>164 375</b>	<b>160 550</b>
<b>Compensation of the members of the Executive Board</b>		
Total individual compensation of the CEO Christophe Douat	328 874	336 334
Compensation of CEO – chairman duties	290 662	284 877
Result of the AGM vote on the compensation of the CEO	GM in Sept 2022	84,33%
Individual compensation of Jaime Arango	221 909	225 044
Individual compensation of Joël Richard	256 152	264 257
Individual compensation of Franck Pouzache	189 790	347 067
<b>Overall amount of compensation paid to members of the Executive Board</b>	<b>996 725</b>	<b>1 172 702</b>

The compensation of Corporate Executives Officers includes fixed, variable, exceptional remuneration, benefits in kind and the valuation of shares allocated free of charge during the financial year (the variable portion being paid only after the Executive Board members variable compensation has gained approval through the annual General Meeting ruling on the accounts closed on March 31<sup>st</sup> 2020 and March 31<sup>st</sup> 2021).

The compensation of the members of the Supervisory Board includes remuneration for the mandate, attendance fees; remuneration for one-off assignments of Mr. Markabi was excluded.

The total amount of remuneration and valued shares received by all the members of the Management Board active in 2021 amounted to € 996 725 for the financial year, including € 843 879 gross remuneration. The total amount of attendance fees paid to the members of the Supervisory Board amounts to € 55k.

## Pay Fairness Ratio

The pay fairness ratio, even in its broadest form, remains below 10 between the lowest and the highest salary, well below the CAC40 ratios and comparable to the gap between the first decile and the last percentile of French salaries in 2017 estimated by INSEE at 6,8<sup>2</sup>. This low ratio is consistent with the Company's purpose of advocating the sharing of value created. More complete information is available in the annual Universal Registration Document via <https://www.medincell.com/en/investors/>.

Pay Equity and Fairness Ratio	2022/2021	2021/2020
CEO remuneration / median employee remuneration (gross)	5,94	5,6
Highest employee remuneration /lowest employee remuneration employee (gross)	9,37	8,61

<sup>2</sup> <https://www.assemblee-nationale.fr/dyn/opendata/RINFANR5L15B3648.html#Toc256000026>  
(One in ten employees earns less than €1,270 whilst one in 100 receives more than €8,680.)

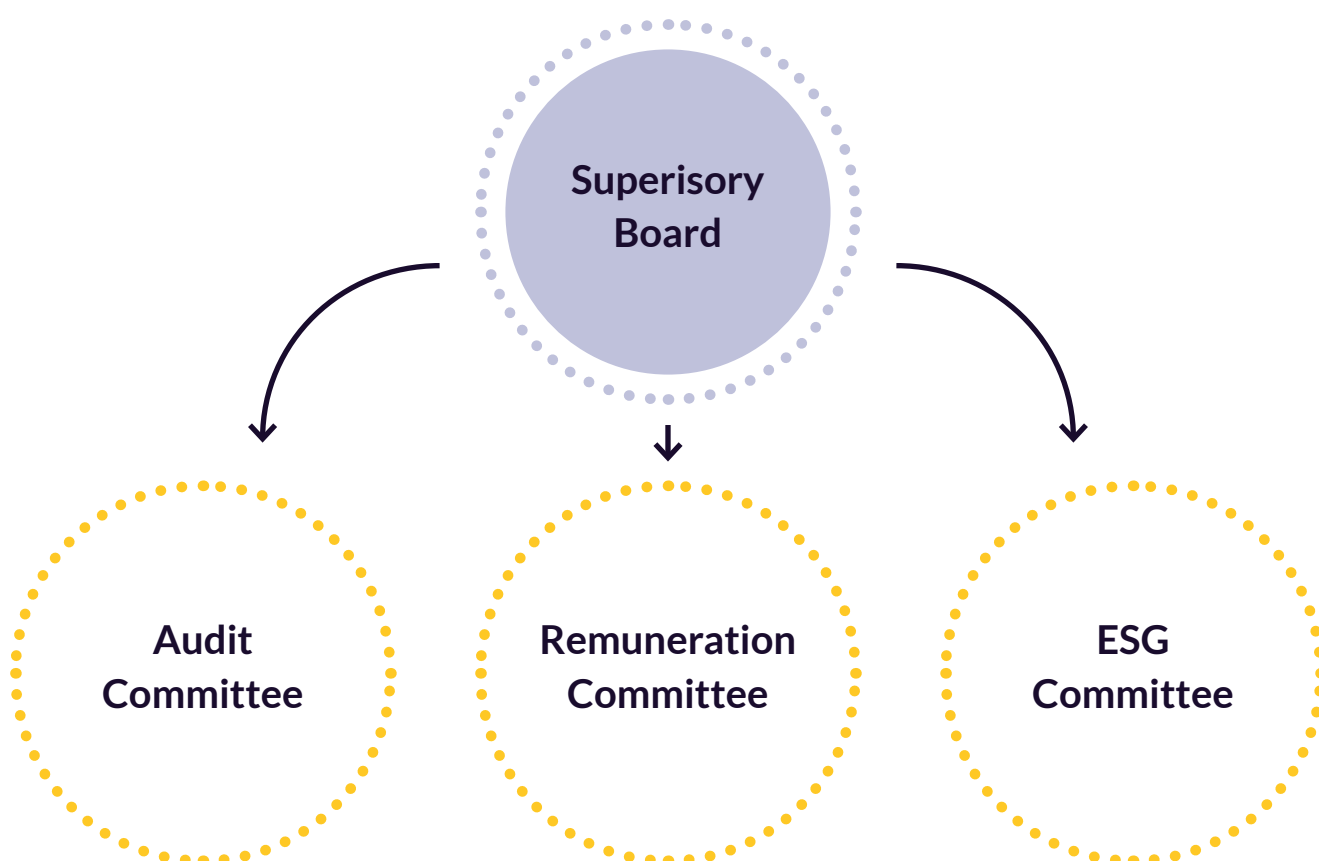


# 4. CSR governance

## 4.1 CSR Governance

*In order to give greater scope to its ambitions and to guarantee the perennity of its CSR approaches, MedinCell is working to formalize and consolidate its CSR governance. On March 10th 2022, MedinCell established an ESG Committee in order to strategically embody its purpose (raison d'être), and to support the management of its impacts and the creation of sustainable value and performance alongside the Audit and Compensation Committees. This is a voluntary approach that follows on from the inclusion of the Company's purpose in its Articles of Association.*

### ESG Committee role and functions



## The missions of the ESG Committee

- to examine the Company's extra-financial matters and to provide advice and recommendations to the Supervisory Board,
- to evaluate the Company's CSR policy and the related results,
- to measure the progress and achievement of the CSR objectives and to propose any relevant changes to those objectives,
- to review the Company's CSR strategy and provide advice and recommendations to the Supervisory Board,
- to approve the Company's CSR report.

## 4.2 Composition

The ESG Committee currently consists of two members of the Supervisory Board and will be supplemented by external member(s) in the coming years.

### *Elisabeth Kogan*

Co-founder and CEO of Clexio Biosciences, a clinical-stage pharmaceutical company that develops new drugs for neurological and psychiatric disorders, Elisabeth Kogan has over 20 years of experience in the pharmaceutical industry. Having held management positions in R&D, sales and marketing, she has extensive experience in the field of innovation and the introduction of new technologies, from product concept through to commercialization. Passionate about bringing new solutions to patients to reduce suffering and improve quality of life, Elisabeth Kogan is particularly committed to the inclusion of patients in pharmaceutical development, access to medicine and the place of women in our societies.

### *Philippe Guy*

Over the past 31 years through his experience with the Boston Consulting Group, Philippe Guy has advised several international companies in the pharmaceutical, biotechnology and medical device sectors in a wide range of areas such as corporate and business unit strategy, research and development, marketing and manufacturing as well as large-scale processing and post-mergers/acquisitions integration. Previously, Philippe Guy was Global Head of BCG Health Practice from 1997 to 2006. Very involved in the digital field, he has helped companies create value by improving the relationship between doctors and patients. Philippe Guy, also International Development Director of the Fondation de la Mer, is convinced of the major role of companies and the financial sector in health and the environment and of the need to align stakeholders and measure the CSR impact via a common framework.

## 4.3 Key CSR actors

All MedinCell employees and stakeholders are called upon to contribute to our CSR initiatives. However, the CSR directions and objectives will be incorporated and managed by the CSR Steering team and the Management Leadership Team.

### Management Leadership Team

The Management Leadership Team, composed of the main MedinCell managers, is directly involved in guiding the company's CSR strategies and certain decisions. Based on the priority material issues, its members develop the annual objectives internally with the support of the CSR Steering team.

### CSR steering team

The CSR Steering team, an internal CSR expertise, is responsible for managing the CSR approach on the basis of the strategic axes defined in synergy with the MLT and the ESG Committee. This cross-functional management team monitors the progress of projects, in particular through monitoring indicators and the coordination of a group of CSR referrers. The Steering team reports directly to the ESG Committee and calls upon it when necessary.

# 5. Risk factors, materiality, governance and CSR objectives

# 5.1 CSR Risks

The risks associated with taking sustainability objectives into account for a technology-based pharmaceutical company at the clinical stage are intrinsically linked to those of the pharmaceutical industry. Taking into account the growing expectations of stakeholders (patients, shareholders, business partners, suppliers, service providers, customers, investors, regulatory agencies, health authorities, health systems, NGOs, communities, employees, the public and the media) therefore becomes essential.

As a result, 9 sustainability objectives specific to MedinCell and the associated risks were considered significant in view of the stakeholders' requirement and the Company's purpose (raison d'être).

The significance of the risks was assessed on the basis of:

- The probability of occurrence (Low: \*, Medium: \*\* and

High: \*\*\*), weighted taking into account current societal expectations, MedinCell's dependence on its commercial partners and also its scope of action.

- The estimated impact (Low: \*, Medium: \*\* and High: \*\*\*), taking into account the reputational, litigation and financial impacts and also the achievement of the Company's purpose (raison d'être).

- The degree of net criticality determined (probability of occurrence x potential impact) after taking into account the current stage of development of the Company's activities and its CSR policy aimed at managing these risks.

- and was supplemented by the evolution trend (upward: + downward: - or unchanged: =) in light of societal trends and the evolution of the Company's activities.

Sustainability Goal Risk associated	Probability of occurrence	Risk impact	Degree of net criticality	Trend
<b>Product Quality and Safety: Ensure the supply of safe and high-quality products</b> Risks associated with the manufacture and supply of a high-quality product	*	***	*	=
<b>Benefits of products:</b> Ensure that products are effective and have clear health benefits Risks of long-term adverse reactions not detected, off label use or questionable benefits	*	***	*	=
<b>Access to health care (reach):</b> Provide affordable medicines and ensure patient access to innovative medicines Risks related to the implementation of certain access-to-medication strategies, and certain differential pricing programs in relation to the company's financial resources or business plan.	**	*	**	+
<b>Access to health care (price):</b> Provide medicines at a price that reflects their health benefits Risks of inadequate pricing in relation to product benefits and/or lack of return on investment in relation to development costs	**	**	**	+
<b>Business Ethics (compliance):</b> Ensure compliance and ethics of practices Lack of proper compliance with internal code of conduct, conflicts of interest, corruption, incidents regarding human rights	**	*	*	+
<b>Business ethics (marketing):</b> Responsible marketing that promotes the rational use of medicines Risks of aggressive marketing practices in certain markets	***	*	*	=
<b>Carbon footprint (manufacturing and supply chain):</b> Reduce emissions, effluents and waste, limit water use Risks related to the lack of environmental management from certain stakeholders and in certain geographical areas	**	*	**	+
<b>Environmental footprint (technology &amp; products):</b> Limit the environmental impact of technology Risks related to the possibility that for some products the technology does not reduce the impact of toxins or is overall less resource efficient than oral treatment	**	**	**	+
<b>Human Capital/Health and Safety:</b> Be an attractive employer and foster innovation Risks related to the deterioration of working conditions, the difficulty of retaining employees and the reduction of innovation	*	**	*	=



## 5.2 Materiality assessment and CSR objectives

Since 2018, MedinCell has been organizing its CSR approach around five strategic development pillars that create sustainable value:

- Better medicine for all
- Our strength is our people
- Being a committed player
- Low environmental impact technology
- Ethical and fair practices

The present report outlines the objectives, indicators and progress for each of these areas of work in the sections below.

Mapping of the materiality and strategic importance of the different CSR issues by themes for MedinCell and its stakeholders:

*Importance to external stakeholders*



The objectives for 2021 focused on the implementation of CSR governance, the formalization of the various policies (Code of Ethics, Code of Conduct, Anti-harassment discrimination and violence Policy, etc.), as well as the formalization of certain aspects of our environmental approach. These targets were delayed by the Covid-19 pandemic and have been updated for this year.

≈ **6. Societal  
impact: better  
treatments for  
all**

# 6.1 Technologies for impact on global health

The products developed by MedinCell and its partners aim to meet essential needs and respond to many health challenges around the world. The widespread use of long-acting injectable treatments could have a real impact on the lives of patients, on those around them and society at large. The BEPO® technology, combined with already known and approved active pharmaceutical ingredients, should also make it possible to benefit from reduced development time and costs compared to treatments using new active pharmaceutical ingredients. This advantage, coupled with low raw material and production costs, could eventually lead to increased access to MedinCell products in developed and developing countries.

There are many potential benefits of long-acting injectable therapies:

## More efficient treatments

In particular, long-acting injectable treatments ensure that the medicine is actually taken and delivered in an optimal and regular manner. When administered under the skin or locally, they make it possible to reduce the amount of principal active ingredients necessary for the treatment, thus limiting certain side effects.

Long-acting injectable treatments allow therapeutic adherence not only to curative treatments but also to preventive (also called prophylactic) treatments or maintenance treatments, aimed at avoiding relapses, particularly in psychiatry.

These treatments are at the heart of public health strategies, the primary objective being to promote prevention rather than treatment. Measures to limit the risk of occurrence of the redoubtable phenomenon,

## Correct uptake of treatment, a major public health challenge

The World Health Organization (WHO) estimates that one in two patients does not start or follow their treatment, and that improving treatment adherence can have a far greater impact than any medical discovery.

Therapeutic adherence is defined as «the way in which a patient follows, or does not follow, medical prescriptions and cooperates in their treatment. Non-compliance with prescribed treatments may be the cause of their ineffectiveness or a relapse of the pathology. It is sometimes related to the constraints of the treatment or its side effects. » (Larousse Medical)

By replacing the daily use of a medication with a simple injection, long-acting injectable treatments are an appropriate response to the compliance problem of many patients.

disease or epidemic are based on a range of tools. In addition to the simple measures of information, hygiene and quarantine, the 20th century saw the introduction of immunization (vaccination), early detection, rehabilitation, and also prophylactic and maintenance treatments. These treatments, which aim to prevent the onset, recurrence or spread of a disease or condition, often need rigorous patient adherence in the medium or long term in order to be effective. Long-acting injectable therapies ideally meet these needs, as demonstrated by products developed in the areas of infectious diseases, contraception and organ transplantation.

## More accessible treatments

In addition, long-acting injectable treatments can be an effective solution for increasing access to care in emerging countries, especially when they can be produced at low cost, which is the aim of BEPO® technology.

## An economic opportunity for society

Long-acting injectable therapies are a source of significant potential savings for health systems. They reduce the direct and indirect costs associated with, amongst other things, the management of disease relapse, disease exacerbation, readmissions, treatment extensions or occupational disabilities, all of which are generally associated with poor adherence to treatment. According to the CDC (Centers for Disease Control and

Prevention), the leading federal health agency in the United States, non-compliance may cost US society 300 billion dollars a year and could be responsible for 125 000 deaths.

## Environmentally friendly treatments

Long-acting injectable treatments prevent a certain amount of medical waste, especially the blister packs of un-consumed medicines discarded not dealt with by incineration. They also make it possible to reduce the dose of the active ingredient necessary for the treatments, limiting their discharge by the human body, thus avoiding the release of certain medicinal molecule residues subsequently found in the environment and also in water sources intended for human use. The environmental impact of BEPO® technology is discussed in more detail in section 9.2 below.

## 6.2 Overview of anticipated impacts of products under development

Therapeutic area	Program	Status as of March 31, 2022	Key impact
Psychiatry	mdc-IRM	Regulatory review	Improve treatment compliance
	mdc-TJK	Phase 1 in progress	
	mdc-ANG	Preclinical	
Pain	mdc-CWM	Phase 2 completed	Treatment of post-operative and chronic pain
Contraception	mdc-WWM	Preclinical	Facilitated access to quality contraception and improved adherence
Tropical illness	mdc-STM	Preclinical	Vector control in malaria transmission
Organ transplant	mdc-GRT	Preclinical	Improve treatment adherence
Infectious disease	mdc-TTG	Preclinical	Covid-19 prophylaxis
Pain (animal health)	mdc-KPT	Preclinical	Ease of use, improved compliance

## 6.3 Expected Needs and Impacts for Schizophrenia Products

Schizophrenia is one of the top 25 causes of disability worldwide and people with schizophrenia are more likely to be single and unemployed<sup>3</sup>. It also ranks among the top seven causes of life loss due to disability; its social, economic and health impact is significant for those suffering from schizophrenia, for their relatives and also other care providers. Very little data is needed to illustrate the enormous burden of this disease. In the United States, the economic cost of schizophrenia is estimated at 60 billion dollars per year<sup>4</sup>. According to the Canadian Mental Health Association, people with schizophrenia occupy 1 in 12 hospital beds in Canada. This is the largest number of beds occupied by a specific disease<sup>5</sup>.

Unfortunately, non-compliance to antipsychotic treatment is a major problem in the management of schizophrenia and contributes to the burden of disease. Depending on the assessment methods, approximately 40-50% of patients with schizophrenia do not adhere to their treatment and 50-55% of hospital admissions are due to an absence of drug compliance<sup>6,7,8</sup>. Once again, this creates a huge cost for the public health community. Indeed, according to

the conclusions of 6 studies using an adjusted cost basis, the total annual cost of non-compliance per patient ranges from 3 252 dollars to 19 393 dollars<sup>9,10,11,12,13,14</sup>. Long-acting injectables (LAIs) are often recommended to improve patient compliance. Certain characteristics of antipsychotic products developed by MedinCell with its partner Teva should facilitate their adoption by both doctors and patients. This is particularly the case for mdc-IRM, whose application to market in the United States is currently being studied by the FDA:

- Pre-filled syringe
- Low volume injection
- Small needle for subcutaneous injection
- Therapeutic levels achieved within 24 hours of the first injection
- Flexibility with monthly and bimonthly products
- Flexibility regarding the injection site
- Multiple dosing options corresponding to that of oral risperidone
- No reconstitution required
- Can be stored out of the refrigerator for up to 90 days

3 Charlson, Fiona J et al. "Global Epidemiology and Burden of Schizophrenia: Findings From the Global Burden of Disease Study 2016." *Schizophrenia bulletin* vol. 44,6 (2018): 1195-1203. doi:10.1093/schbul/sby058

4 Chong, Huey Yi et al. "Global economic burden of schizophrenia: a systematic review." *Neuropsychiatric disease and treatment* vol. 12 357-73. 16 Feb. 2016, doi:10.2147/NDT.S96649

5 In Line, E. (no date). *An Introduction to Early Psychosis Intervention*. Canadian Mental Health Association.

6 Perkins DO. Predictors of noncompliance in patients with schizophrenia. *J Clin Psychiatry* 2002; 63:1121-1128.

7 Velligan DI, Weiden PJ, Sajatovic M, Scott J, Carpenter D, Ross R, Docherty JP. The expert consensus guideline series: adherence problems in patients with serious and persistent mental illness. *J Clin Psychiatry* 2009;70 (Suppl.4):1-46.

8 Perkins DO. Predictors of noncompliance in patients with schizophrenia. *J Clin Psychiatry* 2002; 63:1121-1128.

9 Gilmer TP, Dolder CR, Lacro JP, et al. Adherence to treatment with antipsychotic medication and health care costs among Medicaid beneficiaries with schizophrenia. *Am J Psychiatry* 2004; 161:692-9. 10.1176/appi.ajp.161.4.69

10 Bagalman E, Yu-Isenberg KS, Durden E, et al. Indirect costs associated with nonadherence to treatment for bipolar disorder. *J Occup Environ Med* 2010; 52:478-85. 10.1097/JOM.0b013e3181db811d

11 Offord S, Lin J, Mirski D, et al. Impact of early nonadherence to oral antipsychotics on clinical and economic outcomes among patients with schizophrenia. *Adv Ther* 2013; 30:286-97. 10.1007/s12325-013-0016-5

12 Offord S, Lin J, Wong B, et al. Impact of oral antipsychotic medication adherence on healthcare resource utilization among schizophrenia patients with Medicare coverage. *Community Ment Health J* 2013; 49:625-9. 10.1007/s10597-013-9638-y

13 White TJ, Vanderplas A, Ory C, et al. Economic impact of patient adherence with antidepressant therapy within a managed care organization.

14 Joe S, Lee JS. Association between non-compliance with psychiatric treatment and non-psychiatric service utilization and costs in patients with schizophrenia and related disorders. *BMC Psychiatry* 2016; 16:444 10.1186/s12888-016-1156-3

## 6.4 Expected needs and impacts of product concerning pain management

Pain has a huge impact on the lives of patients and their families around the world. Fear of uncontrolled post-operative pain is one of the main concerns of many patients about to undergo surgery<sup>15</sup>. Despite the development of many techniques in recent decades to combat the burden of post-operative and peri-operative pain, the massive use of opiates has continued to increase over the past two decades<sup>16</sup>. Today, we are at a point where there is talk of an opioid epidemic in the United States. Indeed, the Center for Disease Control and Prevention estimates that opioid use results in an average of 130 deaths per day and costs more than \$78,5 billion per year<sup>17,18</sup>. Recent data also suggest that up to 15% of operated patients may become dependent as a result of perioperative opioid use even through a treatment lasting only ten days<sup>19</sup>. It is now time to consider pain as a global issue<sup>20,21,22,23</sup>. With the essential help of the medical community, MedinCell strives to provide a solution in the field of analgesia to combat this burden.

The mdc-CWM project under development aims for a localized delivery and action of the active ingredient, which could play a disruptive role in the field of post-operative analgesia.

This opioid-free treatment could prolong pain relief, limit systemic exposure, decrease opioid use, improve patients' quality of life, and improve patient management by health care practitioners.

This product, developed with specialized surgeons, arose from an unmet medical need in the field of analgesia. Through its partnership with AIC, MedinCell is currently working to provide patients with a post-operative analgesic solution that totally or partially limits the use of opioids.

15 Rathmell et al. *Acute Post-Surgical Pain Management: A Critical Appraisal of Current Practice*. *Reg Anesth PainMed* 2006; 31:1-422.

16 Rathmell et al. *The role of intrathecal drugs in the treatment of acute pain*. *Anesth Analg* 2005; 101:S30-S43.

17 Centers for Disease Control and Prevention, National Center for Injury Prevention and Control. *America's Drug Overdose Epidemic: Data to Action*. Page last reviewed: January 8, 2020, link: <https://www.cdc.gov/injury/features/prescription-drug-overdose/index.html>

18 Florence CS, Zhou C, Luo F, Xu L. *The Economic Burden of Prescription Opioid Overdose, Abuse, and Dependence in the United States, 2013*. *Med Care*. 2016;54(10):901-906. doi:10.1097/MLR.0000000000000625.

19 Wardhan R, Chelly J. *Recent advances in acute pain management: understanding the mechanisms of acute pain, the prescription of opioids, and the role of multimodal pain therapy*. *F1000Res*. 2017; 6:2065. Published 2017 Nov 29. doi:10.12688/f1000research.12286.1

20 Rice, Andrew S.C.; Smith, Blair H.; Blyth, Fiona M. *Pain and the global burden of disease*. *PAIN*: April 2016 - Volume 157 - Issue 4 - p 791-796.

21 Daniel B. Carr, Bart Morlion, Asokumar Buvanendran, Lars Arendt-Nielsen *Pain After Surgery: What Health-Care Professionals Should Know*, International Association for the Study of Pain 2017

22 Eurostat Data Explorer: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_m&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_m&lang=en) Accessed December 2012

23 The WHO. *Diabetes Epidemic in Europe*. <http://www.euro.who.int/en/what-we-do/health-topics/noncommunicable-diseases/sections/news/2011/11/diabetes-epidemic-in-europe> Accessed December 2012

## 6.5 Needs and expected impacts of the contraceptive product

An estimated 74 million women become involuntarily pregnant each year in low- and middle-income countries, resulting in 25 million abortions outside health care facilities, and 47 000 maternal deaths<sup>24</sup>. Improving access to effective contraception – accompanied by clear information and relevant family planning services – aims to reduce the number of unwanted pregnancies and resulting maternal deaths, abortion rates and infant deaths. Improving access to contraception is therefore a real public health issue that can foster economic and cultural impacts.

MedinCell's mdc-WWM product could be the first contraceptive to become a reference in developing and developed countries through combining the following essential characteristics: a progestogen molecule (non-MPA), 6 months of action, a subcutaneous injection, a fully bioresorbable deposit, and accessibility of treatment.

Since 2017, the Bill & Melinda Gates Foundation has supported the development of this product with more than \$22 million in grants. In line with their Global Access strategy and in order to have a real impact on women's lives, both partners plan to make the product widely available. Affordable prices in developing economies will remove the price barrier and encourage voluntary adoption of the product. The strong interest from women and young women in long-acting contraception portends the high growth potential of the market, benefiting the health of women, newborns and children alike. The Gates Foundation also has a non-exclusive license for non-commercial use of the product in low- and middle-income countries.

<sup>24</sup> <https://www.who.int/fr/news/item/25-10-2019-high-rates-of-unintended-pregnancies-linked-to-gaps-in-family-planning-services-new-who-study#:~:text=Dans%20le%20monde%2C%20ce%20sont,000%20d%C3%A9c%C3%A8s%20maternels%20chaque%20ann%C3%A9e.>



## 6.6 Needs and expected impacts of the product of malaria vector control

Despite much progress, malaria continues to be a major public health problem worldwide and a barrier to socio-economic development in endemic countries. According to WHO estimates, 228 million people were affected worldwide in 2018, 93% of them in Africa, resulting in 405 000 deaths. Children under the age of 5 are the most vulnerable, accounting for 67% of malaria deaths<sup>25</sup>.

In addition, while the number of malaria cases has begun to decline overall since 2015, a resurgence of cases has been observed locally in several countries in the WHO AFRO region, revealing the limitations of current tools<sup>26</sup>.

Anopheles mosquitoes, which carry and transmit malaria, are the vector responsible for the spread of the disease<sup>27</sup>. Our goal is to break this chain of transmission by killing mosquitoes through the bite of human populations treated with ivermectin<sup>28</sup>. With a single injection, ivermectin would be active in treated populations for several months. This new dosing regimen would reduce the logistical barriers encountered by taking oral forms, whose duration of effectiveness is too short<sup>29</sup>. Thus, in the worst affected zones where malaria is endemic, this single injection of ivermectin could help maximize coverage<sup>30</sup>.

Administered at the beginning of the transmission season, the ivermectin formulation, active for 3 months, could have a significant epidemiological impact. These findings emerge from the data of the first in vivo tests conducted in Burkina Faso by IRD, IRSS, CIRDES and MedinCell, which were presented at the 68th annual congress of ASTMH in Washington, November 2019. MedinCell has been collaborating for ten years with these three French and

Burkinabe research institutes, who have been working together for more than forty years in the fight against malaria. They provide theoretical and practical expertise, and essential infrastructure for the development of a long-lasting injectable of ivermectin<sup>31</sup>.

Thanks to the partnership with Unitaid, which provides financial support for the formulation and preclinical activities of a 3-month active injectable of ivermectin, this product could then be a complementary measure to contribute to the eradication of malaria in the most vulnerable populations<sup>32</sup>. Indeed, Unitaid is an international solidarity organization whose objective is to expand access to essential medicines and diagnostics throughout the world. The organization is committed to accelerating the impact of long-acting technologies in low- and middle-income countries by supporting the development of innovative products that can redefine the prevention and treatment of infectious diseases (HIV, tuberculosis, malaria)<sup>33</sup>. With this funding, Unitaid is investing in the creation of an additional tool to fight malaria whilst also increasing its accessibility<sup>34</sup>. Under the terms of agreement, Medicines Patent Pool, which manages patents for Unitaid, will ensure that the MedinCell technology-based product is accessible wherever it is needed<sup>35</sup>.

- 25 WHO : World Malaria report 2019. <https://www.who.int/publications-detail/world-malaria-report-2019>
- 26 WHO: World Malaria Report 2017. <http://apps.who.int/iris/bitstream/10665/259492/1/9789241565523-eng.pdf?ua=1>.
- 27 Malar J. 2018; 17: 462. A discovery and development roadmap for new endectocidal transmission-blocking agents in malaria.
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- 29 Long-acting technologies for the prevention and treatment of major infectious diseases - COMPENDIUM OF TECHNICAL AND MARKET INFORMATION
- 30 Long-acting technologies for the prevention and treatment of major infectious diseases - COMPENDIUM OF TECHNICAL AND MARKET INFORMATION  
<https://unitaid.org/assets/Unitaid-LA-compendium-November-2018-for-UTD-web-converted.pdf>
- 31 LB-5490. Mosquitocidal activity of a long lasting formulation of Ivermectin to be used against Malaria, ASTMH 201
- 32 [https://invest.medincell.com/wp-content/uploads/2020/03/PR\\_MedinCell-Unitaid-EN\\_March2020.pdf](https://invest.medincell.com/wp-content/uploads/2020/03/PR_MedinCell-Unitaid-EN_March2020.pdf)
- 33 Long-acting technologies for the prevention and treatment of major infectious diseases - COMPENDIUM OF TECHNICAL AND MARKET INFORMATION  
<https://unitaid.org/assets/Unitaid-LA-compendium-November-2018-for-UTD-web-converted.pdf> Long-acting technologies for the prevention and treatment of major infectious diseases - COMPENDIUM OF TECHNICAL AND MARKET INFORMATION
- 34 <https://unitaid.org/assets/Unitaid-LA-compendium-November-2018-for-UTD-web-converted.pdf>
- 35 Medicines Patent Pool's mission. <https://medicinespatentpool.org/fr/>

≈ **7. Social  
responsibility:  
our strength is  
our people**

*MedinCell is a pharmaceutical technology company (research and development of drugs) whose activity is the formulation, development and commercialization of new therapeutic products. As such, it aims to produce intellectual property and its staff is considered its main resource. The Company pays particular attention to social responsibility issues and identifies its ability to attract, retain and motivate its employees as a major axis of development. In particular, the Company allows each employee to become a shareholder and promotes active participation in the governance of the Company.*

As for many companies, the organization of MedinCell has been put to the test by the public health conditions and financial uncertainties created by the Covid-19 pandemic. Even so, the Company's responsiveness and flexibility have been the key, and MedinCell demonstrated its resilience and anticipation.

During the year 2021, health, safety, and working conditions have remained a concern and an integral part of day-to-day work (see section 7.5 of this document). MedinCell has been keeping a daily log of presence on-site, and continues to monitor case contacts and positive cases of Covid-19. The team of four Covid referents informs employees about the various actions and regularly updates its health protocol.

The Company has maintained the frequency of cleaning and disinfection, imposed the application of barrier measures, provided masks and distributed hydro-alcoholic gel to all its employees, and adapted on-site meal areas. The overall health situation improved over 2021, even if there were more critical periods in terms of contamination. During the waves of circulation of the virus, caution remained the key word, and the policy of home-working and preventative isolation was maintained.

Depending on the circulation of the virus in the Occitanie region and French government's instructions, the Company alternated periods of home-working and on-site presence.

Thanks to these sanitary measures and the co-operation of the entire workforce, MedinCell did not observe any chains of transmission, and suffered only minor organizational disruptions. As a result, the Company was able to maintain normal activity during the successive waves of Covid-19.

In addition to material considerations, MedinCell has endeavored to preserve the social links between employees and to prevent situations of isolation and stress, thanks to a flexible remote working policy and the organization of social interactions in compliance with sanitary restrictions (yoga classes and fitness classes, running circuits). Certain corporate cohesion events, such as picnics, could be organized in-situ and without sanitary consequences.

# 7.1 Employment

The workforce (as defined according to the French Labor Code) consists of individuals bound by an employment contract and present in the workforce as of March 31st 2022, excluding temporary workers, employees on a replacement fixed-term contract, internships (paid or not) and work-study contracts (apprenticeship or professionalization).

The chart below summarizes indicators used to describe employment within the Company over the last two financial years:

	2021/2022	2020/2021
<b>Workforce and demographics</b>		
Number of employees (headcount)	155	148
Full-time equivalent (FTE) workforce <sup>36</sup>	150	140
Share of staff on permanent contracts	89%	93%
Distribution of staff M/F (%)	43/57	43/57
Average age	37	37
Aged 45 years and older	19%	20%
<b>Number of Consultants</b>		
Number of consultants (headcount) <sup>37</sup>	1	1
Share of consultants	0,64%	0,67%
<b>Hires and dismissals</b>		
Number of net job creations	7	8
Growth rate	4,73%	5,71%
Departure rate of permanent and temporary contracts <sup>38</sup>	10%	9,2%
Turnover rate in permanent & temporary contracts <sup>39</sup>	10,81%	13,18%
Turnover rate in permanent contracts <sup>40</sup>	6,93%	9,02%
<b>Salaries evolution</b>		
Average salary <sup>41</sup>	50 680€	50 860€

36 Full-time equivalent = pro-rated workforce according to the working time of part-time employees on a 39h basis

37 Consultant who has worked more than 20 hours/week for at least 6 months on an activity that can be internalized by the Company

Consultant who has worked more than 20 hours/week for at least 6 months on an activity that can be internalized by the Company

38 Calculated on the annual number of permanent and fixed-term employees, number of departures/cumulative workforce over the year

39 Calculated on the annual headcount of employees on permanent contracts and fixed-term contracts (no. of arrivals + no. of departures)/2/ headcount at the beginning of the year

40 Calculated on the annual headcount of employees on permanent contracts only (no. of arrivals + no. of departures)/2/ no. of permanent employees at the beginning of the year

40 Average gross annual remuneration represented by the gross fixed salary, including the Executive Board, excluding the CEO

## a) Total workforce and distribution of employees by sex and age

The Company continues to expand certain departments, which explains a 4,73% growth in headcount in 2021. All of the Company's staff are grouped into a single site in Jacou, in the south of France.

A forward-looking approach to the management of both jobs and skills is seen as essential to the evolution of the workforce. The Company regularly refines its assessment of skills requirements according to its strategic orientations, through budget preparation meetings and Management Leadership Team meetings.

Staff are expected to evolve within the organization: change of team or function, or new responsibilities. These changes depend on the progress of the Company's projects, the activity, skills needs, and the expectations of employees in terms of professional development.

Reassignments and internal mobility are managed by the Human Resources Department, in collaboration with managers. Individual career development paths allow employees to plan the development of new skills and expand their field of activity. Thus, in the 2021 financial year, four people benefited from internal mobility, including a change of department for three out of the four.

The staff gender distribution 43/57 (M/F) is stable and is in line with the national average for pharmaceutical companies (43/57) and is much better than for companies with less than 200 employees (38/62)<sup>42</sup>. The average age seems to be stabilizing at 37 years with a median age of 35 years of age.

The average age remains well below the national average of pharmaceutical manufacturers of 44,6 years for 2021<sup>43</sup>. The age pyramid has changed little, moving from 20% of the workforce aged over 45 to 19%. The age pyramid also remains younger than the national average of pharmaceutical companies with less than 200 employees, which showed 51% of employees over the age of 45 in 2018<sup>44</sup>.

The staff is characterized by high levels of qualifications: 76% of employees have a Master 2 level and above (Bac +5 level and above) and 81% are managers. As of March 31st, 2022, excluding the Executive Board, 75% of the workforce is dedicated to Research and Development activities. These proportions have remained relatively stable for the past few years.

## b) New recruits and departures

In the particular context of this year, the Company has continued to grow by 4,73%; as of March 31st 2022, the net job creation represented 7 positions. The turnover rate is decreasing as the growth in the number of employees slows down. However, it remains slightly higher than that of the sector for the Occitanie Region before the pandemic (10%)<sup>45</sup>. The departure rate has increased slightly, marked in particular this year by the death of an employee and a retirement. The growth of the Company has made it possible to secure several positions and to convert 4 fixed-term contracts into 4 permanent contracts.

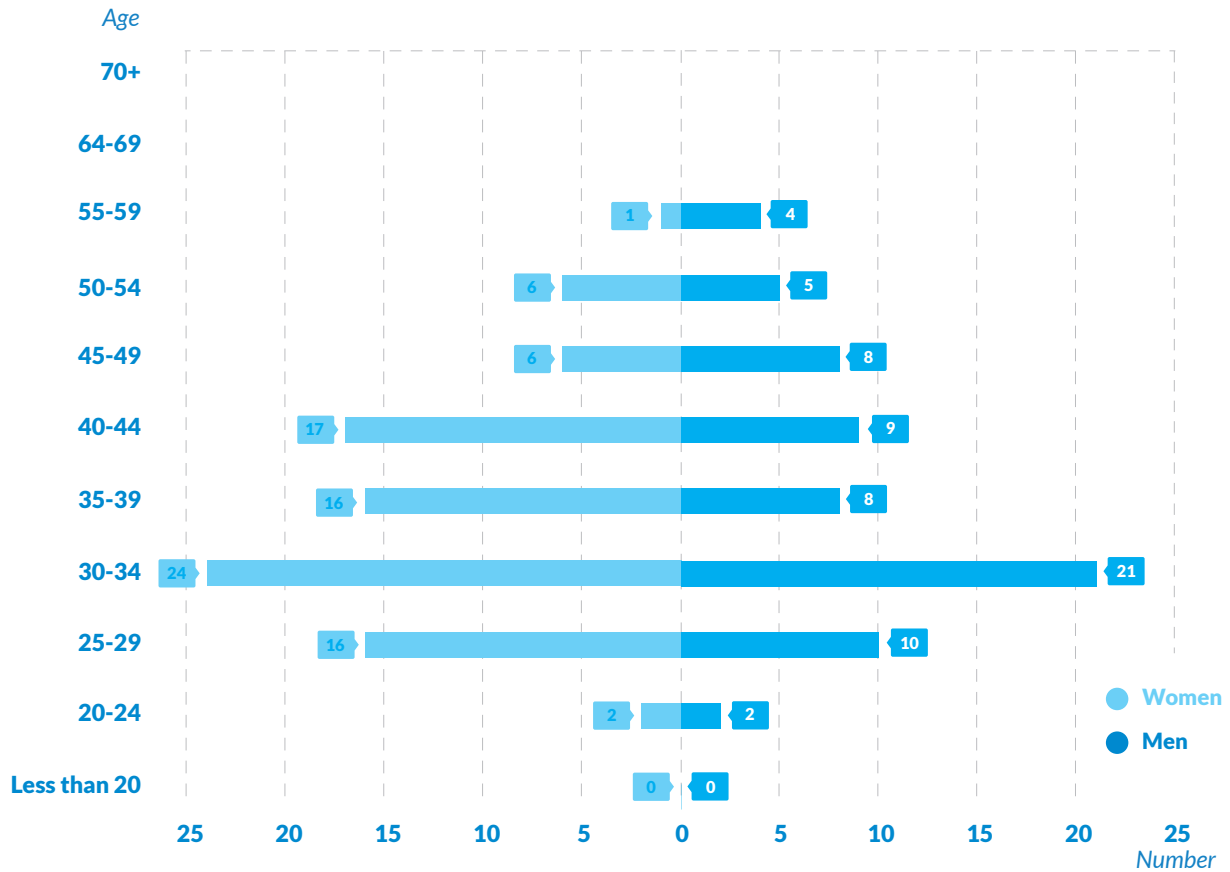
42 Leem\_Rapport\_SituationEmploi\_2019 CPPNI 17 December 2020

43 Leem - Benchmarks on the employment of drug companies, March 2022

44 Leem\_Rapport\_SituationEmploi\_2019 CPPNI 17 December 2020

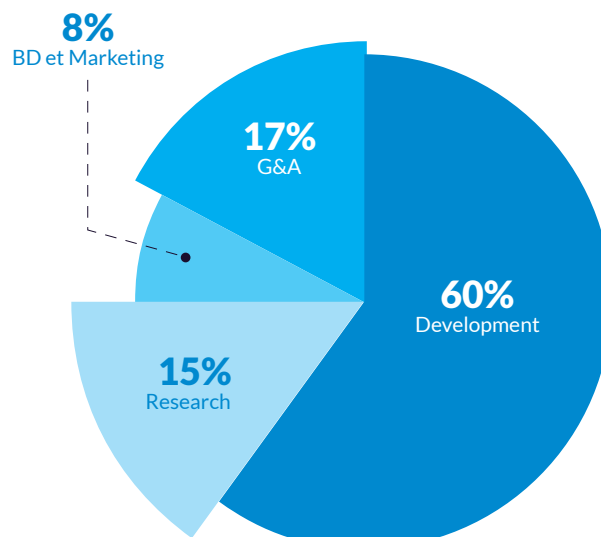
45 Leem\_Tableau\_de\_Bord\_Emploi\_2019.

## Age pyramid



Age pyramid	Men	Women
Under 30 years of age	7,7%	11,6%
30-50 years of age	29,7%	40,6%
Over 50 years of age	5,8%	4,5%

## Workforce by sector of activity



Categories	Managers		Supervisors		Technicians		Employees	
	Men   Women		Men   Women		Men   Women		Men   Women	
Under 30 years of age	4,5%	7,1%	0,0%	0,6%	3,2%	3,9%	0,00%	0,0%
30-50 years of age	27,7%	33,5%	0,0%	1,9%	1,9%	4,5%	0,00%	1,3%
Aged 50 +	5,2%	2,6%	0,0%	0,0%	0,6%	1,3%	0,00%	0,0%
Total	37,4%	43,2%	0,0%	2,6%	5,8%	9,7%	0,00%	1,3%

The Company frequently relies on certain external experts, particularly in the medical field. Regarding its business activities, MedinCell has only used the services of one consultant for more than 6 months, at a rate of more than 20 hours per week.

MedinCell receives trainees each year for medium- and long-term projects and trains students on work-study contracts. The Company is also very open to collaborative projects with partner universities and regularly recruits interns as part of their research projects.

In 2021, MedinCell welcomed 24 trainees and apprentices, the equivalent of more than one trainee for every 6 employees. All those who undertake a traineeship of one month or more receive a financial remuneration.

Three interns and an apprentice took up fixed-term contracts, and the Company allowed an employee on a permanent contract to resume his studies (Master via apprenticeship).

As part of its societal mission, Covid 19 pandemic aside, MedinCell also offers secondary school (middle school) students a range of work experience opportunities, thus discovering how the company works on a day-to-day basis. Such opportunities enable students to discover the different professions at MedinCell. The Human Resources Department tries as much as possible to synchronize the integration of these young participants in order to create a group synergy. Feedback over the past four years has been very positive.

However, due to the public health context, such opportunities could once again not be proposed this year.

## c) Compensations and their evolution

One of our sources of pride stemming from our societal model, which is widely promoted as part of an attractive recruitment strategy, is our compensation strategy. The Company believes in sharing the value created with its employees and favors a compensation system that values collective performance through a collective bonus and incentive agreement.

A collective bonus, calculated on the basis of the achievement of the Company's performance objectives, is therefore allocated to the staff on a quarterly basis. When an objective is achieved, a global amount is paid to the employees, including senior management, on the basis of a fixed minimum amount for all employees with wage indexation, thus favoring proportionately the lowest wages.

The collective bonus will evolve over the year 2022 in particular to integrate CSR performance and employee safety objectives.

Similarly, a Company Incentive Agreement renewed on April 1st 2022 provides for a profit-sharing for all employees, triggered by key milestones of pharmaceutical product development. It is distributed according to an equal share up to 20%, and a share according to the salary level up to 80%.



Categories	Managers	Supervisors	Technicians	Employees
Arrivals	13	1	5	1
Departures	9	0	3	1
Balance	4	1	2	0

For the year 2021, collective bonuses and/or incentives for collective performance were paid for the four quarters. All bonuses and incentives paid over the year 2021 represent 12% of the compensation or, for an average salary, 1,63 months of additional salary.

## 7.2 Employee shareholding

*Since its creation, the strengths, skills and strong involvement of its employees have been essential elements to Company development. In order to share the success and preserve their common ambition and that of MedinCell's extra-financial mission: «improve and protect health across the world», all employees of the Company are invited to become shareholders shortly after their arrival.*

The following indicators have been used to document shareholding in the Company over the past two years:

	2021/2022	2020/2021
<b>Shareholding among active employees</b>		
Employees shareholder rate <sup>46</sup>	84%	77,7%
<b>Share capital held by collaborators</b>		
Employees	5%	4%
Former employees, consultants and affiliates	25%	22%
Executive board and Supervisory board	3%	8%
Founders and families	15%	16%
<b>Total</b>	<b>48%</b>	<b>50%</b>

Since its creation, the Company has allowed its employees to acquire shares in its capital in the form of BSA or BSPCE. The Company, which is more than 15 years old, has established mechanisms for access to shareholding in order to continue sharing its capital with employees. Two new instruments were thus implemented for the first time in April 2019: the allocation of stock options to all employees in proportions that depend on the responsibilities of the beneficiary; the allocation of Free Shares on an equal basis to all employees, including senior management, but whose final acquisition will

depend directly on the performance of the stock price, so as to align the interests of employees with those of shareholders external to the Company.

The proportion of employee shareholders or holders of stock-options or Free Shares reflects MedinCell's unique corporate model and culture. All new employees without seniority conditions benefit from share plans, which will be vested after one year of presence and will give a right to vote at the Company's Annual General Meeting. Thus, as of March 31<sup>st</sup>,

<sup>46</sup> Workforce of employees whose shares were acquired with 1 year of presence

2022, 84% of employees hold shares in the Company and 96% benefit from allocation of shares that will be acquired after 1 year of presence. Three and a half years after its IPO, the Company remains 48% owned by its employees, former employees or founders.

## 7.3 Organization of work

*In consultation with all staff, a company agreement on the organization of working and rest times was concluded between the Human Resources Department and the Staff Representatives on October 21st 2021. It aims to provide a flexible framework for the organization of work at MedinCell by alternating fixed and variable working hours, with a possible smoothing of working time over four consecutive weeks.*

As the Company works on a 39-hour weekly basis, employees working on an hourly basis have the choice of recovery modality for hours beyond the regulatory 35 hours, with the possibility of benefiting from days of recovery of working time (RTT). Overtime beyond this 39-hour base is compensated by time off in lieu (TOIL). These arrangements apply *pro rata temporis* to part-time employees.

Employees whose position is itinerant, or who have a function requiring autonomy or significant reactivity are overseen by an annual system of overall days worked.

This Company agreement formalizes the flexibility granted by MedinCell on working hours, homeworking and promotes a work-life balance. MedinCell is committed to fostering an open, empowering and professional work environment, ensuring mutual respect. Similarly,

MedinCell is committed to promoting the overall health and well-being of its employees and facilitating work-life balance for all its employees, regardless of their function. For example, the Company grants its employees 3 days of paid leave per year and per child, for absence related to child illness, and also one day of paid leave in case of moving house.

On October 21<sup>st</sup> 2021, a Time Savings Account Agreement was also signed, allowing employees with a minimum of 12 months' service to accumulate paid leave rights for future use or to receive remuneration in return for periods of leave not taken.

Although MedinCell has always had organizational flexibility, including remote-working, the Company and the Staff Representatives have formalized and framed this practice in the light of the experience gained during the COVID-19 pandemic.

The Homeworking Agreement signed on February 22nd 2022 allows eligible employees to take up to 9 days of home working per month if they so wish. This agreement makes it easier for employees to reduce their commute and reconcile their personal and professional lives. For the year 2021, the average annual remote working rate is estimated at 45%. This rate is explained by the application of government directives as well as by the policy of preventive isolation of employees during periods of high Covid-19 contamination, and by increased organizational flexibility to facilitate childcare and transitions.

The table below summarizes the indicators used to describe the organization of work within the Company over the last two years:

	2021/2022	2020/2021
<b>Organization of working time</b>		
Part-time employees rate <sup>47</sup>	1,94%	2,7%
<b>Absenteeism</b>		
Rate of Absenteeism <sup>48</sup>	3,43%	1,80%

The proportion of part-time staff - less than 35 hours per week - is 1,94 % of all staff. At the end of March 2022, 6 employees worked less than the reference time for personal reasons. Overall, 3,87% of employees benefit from flexible working hours (reduced working days).

companies of comparable size (12,7 days)<sup>49</sup>. The distribution of short absences and absences exceeding 15 days is stable at about 90/10. Eight long-term absences alone accounted for 66% of sick leave days.

In 2021 the absenteeism rate was 3,43%; absences are mostly due to illness, a few absences are related to caring for sick children. The observed increase is mainly attributed to absences related to the COVID-19 pandemic. This rate represents an average absence of 6,6 days per employee. These rates remain below the absence rate observed for companies in the chemical sector (6,9%) and the number of sick days for

<sup>47</sup> Proportion of employees who work less than 35 hours per week

<sup>48</sup> The absenteeism rate is calculated on the total number of working days of absence during the financial year for employees recorded in the workforce during the period. It does not take into account maternity, paternity, parental leave and long-term illness.

<sup>49</sup> Leem\_Rapport\_SituationEmploi\_2022 Mars

## 7.4 Social relations

### a) Internal communication

MedinCell attaches great importance to internal communication and exchanges between its employees. The Company brings together staff on a quarterly basis to keep them informed of the latest significant developments concerning company business and strategy. In addition to management, all employees are likely to speak at such meetings in order to present a past, current or future project, or to answer questions. In order to properly address questions, employees are invited to send their questions on the company's activity, anonymously if they wish, in the weeks preceding this quarterly meeting. All employees also have the opportunity to ask questions during the meeting. The recent public health situation forced the Company to adapt the format of these quarterly meetings, organized in a hybrid manner with meetings on site, respecting sanitary rules, and also broadcast live on Zoom.

Since September 2019, MedinCell has been monitoring the well-being and commitment of its employees through an anonymous survey. The results serve to identify the reasons for employee satisfaction and also the main concerns at company and service level, in order to act accordingly thereafter. They allow department managers to detect possible problems within their teams and to open the dialogue overtly or anonymously, depending on the wishes of the employees concerned. The Human Resources team supports managers in this process.

The Company offers all its employees on-site sports classes (yoga and strength training) once a week. A sports training mobile application is also available free of charge to all employees.

Once a year, a one-day seminar brings together all employees, focusing upon the results of the past year and the strategic objectives for the year ahead. This is

an opportunity for all employees to reposition their role and that of their team within the company strategy. This team day could not be organized for the current planning exercise because of the public health situation due to Covid-19.

Other events punctuate the life of the Company and promote exchanges and the flow of information. Employees are invited to meet every Tuesday around a convivial gathering during which they are invited to speak on topics that they consider important, and which are directly or indirectly related to the life of the Company. These weekly meetings also allow new employees to introduce themselves and meet their colleagues. Where necessary, other moments bringing together all or part of the teams are organized at MedinCell or externally (human resources information, employee shareholders, organization, etc.).

Other initiatives also aim to foster exchanges and interactions within the Company. Under normal circumstances, the Chair of the Executive Board organizes an informal meeting each month with a few employees selected by rotation for a direct exchange. Due to the recent public health situation, these appointments have been replaced by informal online meetings with an average of five randomly selected staff members and one member of the MLT for an open discussion on ongoing activities.

In addition, each month, six people are drawn and invited to meet for lunch courtesy of the Company. Regularly, employees (on a voluntary basis) are invited to spend a day in another department to discover and share their work on the principle of «Live my life»; the idea being to discover each other's roles in order to better understand each other and work together, and also to encourage internal inter-departmental mobility. Lunches bringing together all the employees are also organized several times a year, as well as evening social events usually attended by employees

and their families. These initiatives resumed in May 2022.

To ensure smooth exchanges and ensure easy and rapid access to information, the Company has its own mobile application that employees can use on their professional mobile phone (all MedinCell employees have one).

## b) Relations with staff representatives

Dialogue with the Social and Economic Committee (CSE), elected on December 12<sup>th</sup> 2019 for a four-year term under Articles L2311-1 and L2311-2 of the French Labor Code, focused mainly on the management of the crisis related to the COVID-19 pandemic (participation in the crisis unit) and the construction and negotiation of company agreements.

Although not obligatory (because there are less than 300 employees) MedinCell wished to set up a Health, Safety and Working Conditions Commission (CSSCT) in order to continue the work initiated by the previous commission on psycho-social risks and working conditions, and also to maintain a group dedicated to these concerns given current laboratory activities.

CSE and CCSCT meetings are held regularly, in accordance with the legal procedures. This year, through numerous meetings, staff representatives were regularly informed and involved in the decisions taken by the Company.

In particular, they participated in all 8 meetings of the Supervisory Board, the 15 Business Continuity meetings, the 14 meetings of the Quality of Life at Work Committee and 7 CSSCT meetings (the latter including accident analysis).

The formal minutes of meetings are continually made accessible via a site dedicated to the staff and other concerned bodies (Labor Inspection, Occupational Medicine, etc.).

During this year, this dialogue made it possible to sign and/or agree on:

- an Agreement on Working and Rest Times, on October 21<sup>st</sup> 2021
- a first Time Savings Account Agreement, on October 21<sup>st</sup> 2021
- a Charter on the right to disconnect, February 1<sup>st</sup> 2022

→ a first Agreement on the practice of remote working, February 22<sup>nd</sup> 2022

→ an Incentive Agreement, April 20<sup>th</sup> 2022

→ a Code of Ethics and a Code of Conduct, March 31<sup>st</sup> 2021

Other reflections and work have been carried out and are still in progress, in particular the update of the Rules of Procedure, the IT Policy as well as a Policy «Anti-harassment, discrimination and violence».

## c) Employee benefits

As employees of a French company, MedinCell employees benefit from the country's social benefits as described in the French Labor Code.

The minimum wage (SMIC) is defined by the legislation as the minimum hourly remuneration that the employee must receive. The gross hourly amount of this remuneration is equivalent to €10,57 as of January 1<sup>st</sup> 2022. Allowances may be made for apprentices or trainees who have their own particular remuneration policy.

French law defines and frames several topics of collective negotiations within companies. Despite the absence of trade unions within MedinCell, the Compulsory Annual Negotiations take place between the CSE and the employer in order to allow social dialogue and to negotiate wages or professional equality. The Company also allows freedom of assembly and association.

Through their wages, employees contribute to the French unemployment insurance and pension schemes. They benefit from 25 days of annual paid leave (approximately 5 weeks), to which can be added recovery days.

The Company also offers its employees a mutual health insurance at reduced rates in order to ensure additional medical protection and to cover certain health costs not covered by the French National Health Insurance scheme. In the event of an accident at work, the law allows the victim to receive 60% of his salary for 28 days.

On the birth or adoption of a child, parents are entitled to 16 weeks of maternity leave and 25 days for the second parent, and may be eligible for parental leave under certain conditions. Parents receive salary compensation through the French National Health Insurance Scheme or the Family Allowance Fund. For its part, MedinCell reserves nursery places to facilitate the return to work of young parents and help reconcile private and professional life.

Companies are obliged under certain conditions to give allowances to help cover the costs of commuting. These allowances amount to at least 50% of the cost of public transport subscriptions. To facilitate the mobility of its employees, MedinCell has subscribed to the carpooling program «Klaxit», initiated by Montpellier Metropole and which allows carpoolers to receive an additional allowance for their daily commute.

Since May 2019, the Human Resources Department has offered employees the possibility of subscribing to a meal voucher system, allowing them to increase their purchasing power and improve the quality of their meals. The company pays 60% of the cost of meal vouchers, each worth 8 euros.

## **d) Social Endeavors**

The CSE offers employees many benefits such as gift vouchers, sports and culture subsidies, seasonal gifts and access to preferential rates through the Comitéo platform. Outside the pandemic context, the CSE contributes to holiday vouchers and is also responsible for organizing festive events such as the Christmas party, Thanksgiving etc., in conjunction with the internal Communication Team and Human Resources.

For the year 2021, the interns present in the Company also benefited from the advantages of the CSE.

# 7.5 Health & Safety and workplace conditions

## a) Health & Safety Policy

Promoting the health and safety of staff and optimizing working conditions are fundamental to MedinCell's sustained development. The Company pays particular attention to the health and safety needs of employees within the working environment, including through regular risk assessments and experience sharing.

The Company has observed the mandatory declarations for its facilities. Technical controls and inspections of installations are carried out in accordance with current legislation. In addition, MedinCell teams remain vigilant in banning any form of violation of an individual's dignity, including that of harassment. Medical oversight of employees is provided by EnSanté.

## b) Working Conditions

The Company is located north of Montpellier, in Jacou. Staff has private parking, access to two nearby bus lines and the tram 1,3 km away.

Given its strong growth, the Company has reorganized its premises several times, but has always kept a single site in order to strengthen team spirit and facilitate communication. A building of 1 400m<sup>2</sup>, completed by two adjoining portacabins, plus two additional premises located nearby (100m away) housed the staff until January 2022. A new building has since made it possible to accommodate all employees in a single main structure. This new configuration will allow the organization and even the expansion of laboratory surfaces.

A project to renovate a villa adjacent to the new main building is under consideration. This additional building with garden is intended to offer a dining and informal relaxation area, as well as alternative workspaces for employees, or to host certain corporate events.

The final project would increase the surface area of facilities to nearly 3 000 m<sup>2</sup> on a single site. This local extension project allows MedinCell to remain in a central location in relation to employees' homes, in line with the corporate spirit.

## c) Annual prevention program

Over the year 2021, the Environment, Health and Safety (EHS) team, in collaboration with the CCSCT and the Occupational Physician, line management and the workers, ensured the implementation of the EHS 2021 roadmap and the following main achievements:

- the involvement of 40 people in the implementation of the EHS 2021 roadmap actions,
- the implementation of the EHS Council,
- the implementation of the Quality of Life at Work Committee and the establishment of a roadmap,
- training sessions: emergency evacuation procedure, chemical risks and MSDS, work in Highly Potent areas,
- updating the procedure for working in the Highly Potent zone,
- the launch of a risk analysis on the use of hazardous chemicals,
- the creation of 144 CAPAs with a resolution rate of 93% within the deadlines.

All accidents at work and incidents at work are recorded internally in a specific register. Near-misses are also logged and monitored in order to guide preventive or corrective actions.

The table below summarizes the indicators used to monitor health and safety within the Company over the past two years:



Accidents and incidents at work, their frequency and their severity, as well as occupational illness	2021/2022	2020/2021
Number of LTI	0	1
LTI Frequency Rate *	0	5,75
LTI Severity rate **	0	0,09
Number of RA	2	1
RA Frequency Rate *	11	5,75
Number of incidents requiring First Aid	4	5
First Aid Frequency Rate *	22	29
Number of Near-Misses	16	5
Near-Miss Frequency rate *	87	29
Frequency rate TF3 (LTI + RA + First Aid + Near Miss) *	<b>119</b>	<b>69</b>
<b>Number of occupational diseases</b>	<b>0</b>	<b>0</b>

*Distinction between Accident at work and Incident at work: in the event of an Accident at work, medical care is necessary and carried out in relation to the level of the injury caused. Accidents are systematically reported to the French National Health Insurance. "Work Incidents" refer to minor injuries that do not require external medical care. These are not the subject of a declaration to the French National Health Insurance.*

- LTI, Lost-Time Injury: an accident resulting in a medical leave,
- RA, Reportable Accident: an accident requiring an external examination but not generating a medical leave;
- First Aid: a benign incident treated internally and with care administered internally and without the need for external review,
- NM, Near-Miss: the occurrence of an incident that did not result in harm to the person on this occasion but which could have resulted in an accident.

\* Frequency rate = (Number of events) x 1 000 000 / (Number of theoretical annual hours worked) over 12 months

\*\* Severity rate = (Number of days off caused by work related accidents) x 1 000 / (Number of theoretical annual hours worked)

Despite the continuous improvement actions undertaken, there were 2 accidents without disability, 4 first aid treatments and 16 incidents to deplore during the year 2021 (stings, cuts, projections during laboratory experiments, falls). These events, along with a tripled occurrence of near-misses, explain the sharp increase seen in the TF3 frequency rate from 69 to 119 this year.

This increase is attributed to a decline in safety culture following periods of isolation caused by the pandemic. Awareness-raising actions are underway to encourage all employees to systematically report dangerous situations in order to raise the level of vigilance and safety culture.

The newly established EHS governance body has the role of integrating EHS into company governance to ensure the continuous and sustained improvement of a health and safety culture and associated performance.

For the coming year, in order to strengthen the EHS prevention program (EHS roadmap) certain EHS objectives will be directly integrated into team or department objectives. In addition, the achievement of an EHS objective will condition part of the collective bonus.

## d) Quality of Work Life

For several years, MedinCell has demonstrated its commitment to the continuous improvement of Quality of Work Life (QWL). The main objective, set in 2021, was the establishment of a governance structure to steer this approach. As a result, a QWL committee was created in April 2021. It includes representatives from HR, CSE, HSE and Communication. The strategy for implementing QWL at MedinCell is based on three main areas: promoting well-being at work, preventing psychosocial risks and supporting change.

MedinCell's commitment to improving QWL has also resulted in the continued funding of a diploma for one of its employees, who was trained as a psychosocial risk prevention and QWL management advisor. Since graduating, the employee has taken up the duty of QWL project manager equating to 50% of her working time.

As part of its QWL policy, MedinCell has recently made available to all its employees an application that allows access to tools, documentation and therapists in order to take care of their mental health on a daily basis.

## 7.6 Training & development

Dedicated Training Funds	2021/2022	2020/2021
MedinCell Training Budget	106 045€	145 939€
FNE-Training scheme Budget	63 852€	25 399€
Share of employees who benefitted from at least one training course *	65%	64%
Average number of hours training per employee *	18h	17h

\* Excluding mandatory training and compulsory clearances

Several actions related to training, such as language learning, scientific techniques, IT and professional tools, regulatory training in health and safety, project management, are renewed each year. Particular attention is paid to new employees, who are integrated and trained internally on various topics related to getting up to speed on their position, the internal operations of the company and the various tools at their disposal. The learning of English or French is offered to all new entrants in order to improve communication and the integration of all employees within an international work context.

For this financial year, a budget of €106 045, supplemented by external funding of €63 852, was devoted to vocational training, in particular technical and professional training, some of them leading to qualifications and/or diplomas. Thus, as in the previous year, excluding compulsory training, 65% of the workforce was able to strengthen their skills and have a better command of their profession and its potential developments.

The Company also continued to support professional and personal development, in particular by supporting:

- a resumption of studies in order to obtain a Master's degree in order to improve skills (currently employed on a work-study basis in the company),
- the starting of a PhD,
- the retraining of an employee in intellectual property (financing of training over two years plus in-house mentoring),
- the retraining of an employee in the marketing professions (financing of training and in-house mentoring)
- the certification of an employee in technical translation (Master's level, partial financing and hours of training on work time)
- the reorientation of an employee toward the quality of life at work (financing of training and in-house mentoring).

## 7.7 Equality

MedinCell undertakes to apply the principle of non-discrimination and to ensure equal treatment between individuals when recruiting, irrespective of nationality, sex, racial or ethnic origin, religion or belief, disability, sexual orientation or age. Similarly, the Company is committed to conducting a fair and objective assessment of each individual's professional performance and development. The Company is particularly implicated in the equal treatment of men and women.

An Anti-harassment, Discrimination and Violence Policy is being drafted to formalize good practices within the Company. MedinCell does not condone any type of action that violates its values and represents a form of violence,

harassment, sexism or discrimination and undertakes to put in place all necessary means to prevent or remedy such behavior.

In 2019, MedinCell successfully integrated a worker with physical disabilities into its workforce. MedinCell carefully considers possible job adjustments when a candidate with a disability comes forward for a position.

Moreover, MedinCell considers internationality and cultural diversity as assets. The following table summarizes the indicators used to monitor equal treatment and cultural diversity within the Corporation over the past two years:

	2021/2022	2020/2021
<b>Gender equality indicators</b>		
Distribution of staff M/F (%)	43/47	43/47
Share of women on the Supervisory Board	33%	50%
Share of women on the Executive Board	0%	0%
Share of women in management positions <sup>50</sup>	47%	47%
Average remuneration of women <sup>51</sup>	46 340 €	45 787 €
Average remuneration of men <sup>52</sup>	56 489 €	57 623 €
<b>Indicator of cultural diversity</b>		
Number of different nationalities in the workforce <sup>53</sup>	30	29

<sup>50</sup> The rate includes women who provide management responsibility (at the level of a team and/or an activity) or who provide management responsibility at the level of a budget in relation to the Management workforce.

<sup>51</sup> Average gross annual remuneration represented by the gross fixed salary, including the Executive Committee, excluding the CEO

<sup>52</sup> Average gross annual remuneration represented by the gross fixed salary, including the Executive Committee, excluding the CEO

<sup>53</sup> Workforce as defined in the Labor CODE

## a) Measures taken towards promoting gender equality

The Executive board, management and the Human Resources Department are attentive to the equal treatment of men and women when discussing individual salary increases and professional development. Consideration had been given to gender equality, and a new equality plan for 2022 had been drawn up in order to continue the progress made. The actions mainly focus on the current favorable hiring of men, a majority of women recruited in the managerial positions filled, and the use of indicators to ensure equal pay for equal positions.

For comparable headcount (mid-year arrivals excluded, over the calendar year), the average remuneration of women increased by a little more than 1,2% over this year and that of men by a little less than 2%. The mandatory report on parity shows a salary increase for 8% of the female workforce and 7% of the male workforce, improving equal pay for equivalent positions over the 2021 calendar year. MedinCell scores 80/100 on the parity index, meeting governmental targets.

The difference in average wages between men and women is mainly due to the difference in the types of posts occupied. In 2021 as in 2020, women represent 47% of the managerial team and 3 women are in the top 10 on the Company's payroll.

Employees benefit from measures to reconcile family and professional life, such as flexible working hours, child sick days and part-time work, regardless of their level of responsibility. In 2021, 21 nursery places were reserved by the Company within the People and Baby corporate nursery network.

The Anti-Harassment, Discrimination and Violence Policy currently being drafted supports MedinCell's desire to combat gender-based violence and acts, sexual harassment, discrimination based on sex or gender, and to ban ordinary sexist behavior.

## b) Measures taken to promote cultural diversity

MedinCell recruits locally and internationally and makes this plurality one of its drivers of creation and adaptability.

The adoption of the Company's internal culture (hierarchical relations, team spirit, communication) makes it possible to mitigate certain stress factors induced by the difference in culture and, on the contrary, make it a real strength.

At the end of March 2022, MedinCell had 30 different nationalities among its current workforce; sometimes with several representatives from the same country. Trainees, apprenticeship contracts, CEO included, MedinCell's staff for this year 2021 was composed of 33 different nationalities representing nearly 1/4 of people of non-French culture. This diversity and open-minded approach make it an attractive company, enticing the return of some French expats.



# 8. Being a committed player

MedinCell believes that all actors within the health sector, from patients to industry, must work together to enable the development of sustainable and inclusive health systems. MedinCell also engages in the promotion of good behavior amongst all different types of public, particularly with regard to the taking of medication.

# 8.1 A network of committed actors for sustainable health

*MedinCell believes in the need to develop a network of partners, who are both committed over the long term and who share its vision, to ensure a real impact on health across the globe. To this end, MedinCell surrounds itself with partners capable of supporting its mission, from the identification of a medical need to the delivery of the product to the patient.*

The Company works with medical practitioners, leading opinion leaders, humanitarian agencies and foundations, to be as close as possible to the therapeutic need and to identify those who could be targeted by long-acting injectables. Depending on the therapeutic areas and the specific product requirements, MedinCell partners with industrial and commercial partners to deliver the product to as many patients as possible.

Within the field of mental health, the Company has been working since 2013 with Teva, which is currently developing several antipsychotic products based on MedinCell technology, the most advanced being currently in the process of submitting for Marketing Authorization (MA) in the United States.

For the treatment of post-operative pain in total knee replacement, MedinCell has been working since 2016 with the Canadian company Arthritis Innovation Corporation, led by Dr. Wayne Marshall. Dr Marshall is an experienced entrepreneurial surgeon within the Orthopedic Surgery Department, Toronto West Hospital, which is one of North America's leading centers for total knee and hip replacement, treating more than 2 000 patients each year.

In the fields of pain and organ transplant MedinCell is supported by experts from different university hospitals in France.

At the end of 2019, MedinCell and the Bill & Melinda Gates Foundation signed an agreement for an additional \$19 million to be granted over four years for the continuation of the different stages of development of a new form of contraception adapted to the needs of women in emerging countries. The Gates Foundation supports the development of products to improve the health outcomes of the world's most vulnerable populations. In line with the partnership's global access strategy, the goal is to ensure a significant impact on the female population by making the product widely available. Affordable pricing in emerging economies will help eliminate cost as a barrier to greater availability and voluntary access to the product. The Gates Foundation will also have a non-exclusive license for the non-commercial market in low- and middle-income countries.

In the first quarter of 2020, MedinCell entered into a partnership with Unitaid to fight malaria. Unitaid aims to expand access to essential medicines and diagnostics. Unitaid is committed to accelerating the impact of long-

acting technologies in low- and middle-income countries (LMICs) by supporting the development of innovative products that could redefine the prevention and treatment of infectious diseases (HIV, tuberculosis, malaria and hepatitis C). After research completion, the commitment of this partnership is to ensure equitable product access in low- and middle-income countries. In addition, to have a significant impact on the most vulnerable populations, MedinCell will grant a non-exclusive license to the Medicines Patent Pool to ensure the distribution of the final product by the public sector in low- and middle-income countries.

The network developed by MedinCell also includes partners' knowledge, expertise and financial resources, enabling a positive impact on health in the world in the long-term.



*Because 1 in 2 patients do not take their medication correctly, MedinCell aims to develop long acting treatments over a controlled period of a few days to several months after a simple injection.*



## 8.2 Participate in scientific training and innovate

*MedinCell supports innovation to better meet the needs of patients and support the development of sustainable and collaborative health systems. During the year 2021, the Company collaborated with, in particular:*

- the University of Strasbourg - a thesis on Fluorescent labelling of BEPO® copolymers, presented in November 2021,
- the University of Montpellier and the IRMB - a thesis on Intra-articular protein delivery, presented in July 2021
- the University of Montpellier - a thesis in Microfluidics in progress with the Charles Coulomb laboratory,
- the University of Montpellier - a thesis on Intratumoral delivery in progress in partnership with the IRCM,
- the University of Montpellier - a thesis in Datamining in partnership with the IRCM,
- the LCPO in Bordeaux - a research collaboration on New polymeric platforms with a Master student,
- the University of Limoges - a postdoctoral research collaboration on the Evaluation of the toxicity of drug metabolites.

MedinCell participates in scientific training, welcoming and training students from secondary school to doctorate level. In 2021, in addition to hosting many trainees, the Company hosted and co-financed a PhD with the University of Montpellier.

MedinCell has contributed to the advancement of scientific research by sharing its technical advances and discoveries through three scientific literature articles:

- "Poly (ethylene glycol)-b-poly (1, 3-trimethylene carbonate) Copolymers for the Formulation of In Situ Forming Depot Long-Acting Injectables, *Pharmaceutics*, May 2021, 13, 5, 605",

- "Impact of octreotide counterion nature on the long-term stability and release kinetics from an in situ forming depot technology, *Journal of Controlled Release*, August 2021, 336, 457",
- "Intra-articular delivery of full-length antibodies through the use of an in situ forming depot, *Journal of Controlled Release*, January 2022, 341, 578".

MedinCell had the opportunity to exchange with the scientific community at the following conferences and congresses:

- Controlled Release Society 2021, oral presentation (Adolfo Lopez Noriega), July 2021
- European Society of Biomaterials 2021, Porto, poster presentation (Charlotte Peloso), September 2021
- Biologics UK, London, oral presentation (Sylvestre Grizot), September 2021
- PODD, oral presentation (Adolfo Lopez Noriega), October 2021

MedinCell innovates to meet the needs of patients, and 10 new patent applications, 4 of which are international (WO2022008382), have been filed in order to formulate drugs with a wider variety of molecules and exhibiting improved properties compared to the initial BEPO® technology.

In an effort to address the ever-growing problem of antibiotic resistance, the search for a platform for the localized and sustainable delivery of antibiotics is underway and has shown promising results.

## 8.3 Participation in the local economy

*MedinCell is proud to participate in the local development of the town of Jacou and Montpellier Metropole. Despite numerous requests and despite the constraints, the Company has chosen to remain established on its original site, instead favoring the extension of its premises rather than relocating.*

The Company encourages its employees to support the community and the local economy and to get involved in solidarity actions. MedinCell offers the opportunity to promote these initiatives (especially during the weekly convivial gathering, outside the pandemic context) and to use the internal communication application to make calls for participation. For example, a group of employees regularly participates in the actions of the Montpellier

Humanitarian Association and all employees are occasionally called upon to donate food or clothing.

In addition, the Company favors, when appropriate, local shops and businesses. As part of the site extension and redevelopment project, MedinCell's General Service selected local service providers.

# 9. Environment

# 9.1 Environmental management

As environmental quality is also a global health issue, MedinCell aims to minimize its impact on the environment. MedinCell's ambition is to offer products with a reduced environmental footprint and to design sustainable new technologies. The Company wishes to engage in an approach of process optimization in order to reduce in the long-term waste and emissions generated from production. In its day-to-day operations, the company strives to minimize its environmental footprint by reducing and sorting waste, rationalizing energy use and reducing emissions.

MedinCell's environmental management system is based on legal compliance, environmental risk management, stakeholder integration and continuous improvement. In 2021, the Company focused on formalizing certain aspects of its environmental management and refining its carbon footprint. In order to anticipate environmental risks, an enhanced risk assessment is underway. This analysis will enable the anticipation of any potential deviation from standards and to promote best practice. As environmental challenges are a common concern, we are

convinced that every person and every team at MedinCell must strive to integrate sustainable goals into their work, as set out in the Company's roadmap.

The MedinCell premises are located in the Commercial Activity Zone of the municipality of Jacou, and to date there are no protected or sensitive environments or species listed in the municipality. Given its sector of activity and its small size, the Company is not subject to the regulation of Classified Installations for the Protection of the Environment (ICPE). Moreover, for its pharmaceutical and laboratory activities, the Company operates under an extremely rigorous regulatory framework, and to which it fully complies. The Company has all the necessary approvals for the conduct of its activities. The Company's activities do not generate any particular noise nuisance for staff or residents.

## 9.2 Products: BEPO<sup>®</sup>, a technology with reduced environmental impact

The BEPO<sup>®</sup> technology makes it possible to design products with a reduced impact on the environment through two factors:

- Reducing the amount of active ingredient needed to treat a patient through improved bioavailability of the active ingredient and/or targeted action,
- The elimination of the inappropriate and polluting disposal of active ingredients not uptaken by patients.

### a) Reducing the amount of active ingredient

The BEPO<sup>®</sup> technology allows to reduce the amount of active ingredient needed to treat a patient through improved bioavailability of the active ingredient (a pharmaceutical term that indicates the extent to which the active ingredients of a drug become available at the intended location), compared to oral treatment and certain injections. The reduction in the amount of active ingredient administered has the consequence of reducing the release of the active principle (and/or its metabolites) into the environment via patient excretions.

This reduction in the amount of active ingredients is dependent on the absolute and relative bioavailability of each active ingredient, and on the optimization of the continuous release profile obtained by BEPO<sup>®</sup> technology. MedinCell estimates that this reduction in the quantity of active ingredients can potentially represent 10% to 40% less active ingredient per patient for the same treatment duration.

In the case of a treatment for which the active ingredient is administered locally with targeted action instead of being distributed systemically, the estimated reduction is major and could reach between 60% and 90%.

The reduction in environmental impact associated with the use of BEPO<sup>®</sup> technology is far from negligible, particularly for long-term treatments (mental health, contraception, chronic pain).

### b) Elimination of inappropriate disposal of active substances

The BEPO<sup>®</sup> technology makes it possible, after a simple administration, to deliver an active ingredient in a regular and controlled manner, and thus to guarantee the complete therapeutic patient compliance for a fixed period of time and, if necessary, until renewal of the treatment. By ensuring complete treatment, patients or their entourage no longer dispose of unused active ingredients (unused, partially used or expired) in an inappropriate and polluting manner.

Therapeutic compliance varies from one therapeutic area to another, but the WHO admits that, in general, 50% of treatments are not taken correctly. Concerning the amount of medication handed over to the patient, only 25% of the unused medicines are disposed of in an appropriate manner, the rest being generally discharged into household waste and sewers. These common disposal practices tend to continue despite efforts by health authorities and other

stakeholders in the pharmaceutical sector to educate patients otherwise.

For an equivalent oral treatment (and actually retrieved from pharmacies by patients), BEPO® technology could potentially reduce by approximately 35% the water and soil contamination caused by patients through the inappropriate elimination of active ingredients.

Thanks to these two levers, for the same number of patients, the quantity of active ingredients to be manufactured would be reduced and any pollution during production and disposal would also be reduced. The balance between the benefits of treatment and the risk of pollution would therefore be improved.

## c) Towards sustainable technology

MedinCell wants to move towards sustainable technology, and to this end the MedinCell Research Department evaluates the steps of current processes with the highest environmental impact (synthesis, characterization) in order to optimize them. The Company is studying the exclusive use of solvent-free syntheses in the search for new polymers and materials, and this year has dedicated 70% of its research staff to this purpose.

## 9.3 Environmental impact of services: Research and Development activities

Due to its activities concentrating on research and development and not having any industrial activity, MedinCell can claim a low environmental impact. For the year 2021, most of the research activities were carried out in its laboratories while preclinical development activities are entrusted to external service providers. Clinical development activities are mainly carried out by the Company's business partners.

Development activities, excluding clinical batches, include industrial-scale production of polymers. This production is carried out by the company CM Biomaterials BV, a joint venture created with its partner Corbion in the latter's factories, (sustainable development report: [https://annualreport.corbion.com/FbContent.ashx/pub\\_1002/downloads/v220308105304/Corbion\\_annual\\_report\\_2021.pdf](https://annualreport.corbion.com/FbContent.ashx/pub_1002/downloads/v220308105304/Corbion_annual_report_2021.pdf)).

BEPO® technology uses DMSO (diméthylsulfoxyde), an organic, water-miscible liquid widely used as a solvent in a variety of pharmaceutical and non-pharmaceutical applications. It is renowned for its very low level of toxicity. Our lead pharmaceutical partner, Teva, has recently set its own ambitious environmental targets<sup>54</sup>.

At its sole site in Jacou, MedinCell has historically leased and occupied existing buildings, which has limited thermal performance. With the increase in staff, an expansion of the premises was carried out and in early 2022 MedinCell invested in a new building. This new building compliant with the RT 2012 is equipped with 100% LED lighting with presence detectors,

and a management of thermal inputs on predetermined schedules.

The Company does not have an in-house restaurant offering on-site catering, so there is limited capacity to control the potential food waste within the organization. Employees are nevertheless made aware of separating waste and recycling.

Despite the low impact of its current activities at the Jacou site, the Company is taking into account the need to adapt to the consequences of climate change and is committed to minimizing its environmental footprint by reducing and sorting waste, rationalizing energy use and reducing emissions.

The Covid 19 pandemic, the growth of staff and activities, plus the development and changes of premises have complicated the monitoring of certain indicators and made interannual comparisons difficult. For this year 2021, MedinCell has focused on expanding the scope of activities and services integrated in its environmental footprint. However, to date, the impact of upstream, downstream or subcontracted activities is very difficult to assess and will be the subject of future objectives. In the light of this context, the following indicators have been selected as relevant in reporting on the Company's environmental impact and the rationalization efforts made.

<sup>54</sup> [https://www.teva-sante.fr/our\\_engagement/article-pages/esg/](https://www.teva-sante.fr/our_engagement/article-pages/esg/)

## 9.4 Sustainable use of resources: environmental efficiency

Currently no industrial production or distribution is performed within research facilities, therefore there is little use of raw materials, no significant releases into the environment or significant production of greenhouse gases.

Direct resource consumption, and the consumption of certain indirect resources is reported below, with figures including the equivalence in indirect GHG emissions expressed in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

The Company uses only electrical energy for all of its activities, with no other sources of energy or combustion. Direct greenhouse gas (GHG) emissions are therefore null, **scope 1 = 0 t CO<sub>2</sub>e**.

### a) Energy consumption: annual electricity consumption

The following table shows the evolution of the Company's estimated annual electricity consumption for its buildings over the calendar years 2020 and 2021:

	2021	2020
Electricity consumption	438 566 kWh	390 856 kWh
Indirect greenhouse gas emissions (tCO <sub>2</sub> e, scope 2)	9,82 t	7,64 t

Annual electricity consumption increased compared to the previous year (12%), as well as in reference to a pre-covid period. This increase is attributed to an increase in manufacturing process activities and an increase in overall surface area. This consumption includes the charging of the company vehicle (229,68 kWh), the provision of 5 charging stations for the electric vehicles of the staff (non-estimated share), and the supply of electricity for electrical and computer equipment (non-estimated share).

### b) Annual volume of water consumption

The water consumption related to buildings on the Jacou site corresponds to laboratory activities and the use of water for sanitary purposes. The water discharged after use is issued mainly from sanitary use and from washing machines and sinks installed in the laboratory. The laboratory's wastewater is assimilated to domestic water and is discharged into the city's sewer and treated via a treatment plant. The discharges are not currently monitored by pollution indicators and do not undergo any pre-treatment.



The following table provides an annual comparison of the Company's water consumption over the last two calendar years:

	2021	2020
Water Consumption	770 m <sup>3</sup>	558 m <sup>3</sup>

Annual water consumption increased by 38% as a result of the return to a more pre-covid site usage though site frequentation has not completely returned to pre-pandemic levels.

## c) Fixed assets

In recent years, MedinCell has invested in its facilities to support its growth and the development of its activities. The indirect greenhouse gas emissions of these upstream investments are estimated through the different monetary emissions factors of the associated fixed assets, and then divided by the lifespan of the fixed asset.

The use of the following monetary emissions factors: monetary emission factors of Fira office furniture, ADEME\* monetary emissions factors for scientific equipment, ADEME built surfaces emissions factors or Taolen renovated surfaces emission factors (weighted by MedinCell's investment level), Apple® and ADEME monetary emission factors for computer equipment, allow for an estimate of CO<sub>2</sub>e emissions though it must be noted that the figures include a degree of uncertainty, ranging from 5% for manufacturer data to 50% for the ADEME Base Carbon<sup>55,56,57,58,59</sup>. For each category, the factor with the least degree of uncertainty was used.

These calculations help identify the main sources of emissions and to prioritize the actions to be put in place to reduce emissions. Intangible assets represented by patents and licenses were not considered for this year and will be assessed as part of the procurement of goods and services<sup>60</sup>.

\*ADEME, "Agence de la transition écologique" anciennement "Agence de l'environnement et de la maîtrise de l'énergie" is the French Agency of the ecological transition former "Agency for the Environment and Energy Management"

55 <http://www.healthyworkstations.com/resources/Environment/FIRA.CarbonFootprint.pdf>

56 [https://bilans-ges.ademe.fr/documentation/UPLOAD\\_DOC\\_FR/index.htm?batiments.htm](https://bilans-ges.ademe.fr/documentation/UPLOAD_DOC_FR/index.htm?batiments.htm)

57 [https://resources.taolen.fr/resources/documents/6981\\_191209\\_OID\\_les\\_emissions\\_de\\_GES\\_liees\\_aux\\_travaux\\_de\\_renovation.pdf](https://resources.taolen.fr/resources/documents/6981_191209_OID_les_emissions_de_GES_liees_aux_travaux_de_renovation.pdf)

58 [https://www.apple.com/environment/pdf/products/notebooks/13-inch\\_MacBookPro\\_PER\\_may2019.pdf](https://www.apple.com/environment/pdf/products/notebooks/13-inch_MacBookPro_PER_may2019.pdf)

[https://www.apple.com/environment/pdf/products/desktops/Macmini\\_PER\\_Mar2020.pdf](https://www.apple.com/environment/pdf/products/desktops/Macmini_PER_Mar2020.pdf)

[https://www.apple.com/environment/pdf/products/notebooks/13-inch\\_MacBookPro\\_PER\\_May2020.pdf](https://www.apple.com/environment/pdf/products/notebooks/13-inch_MacBookPro_PER_May2020.pdf)

59 [/ademe-ges-tic-0212.pdf](#)

60 <https://www.ipside.com/fr/actualites/breves/toutes-les-breves/686-empreinte-carbone-et-propriete-intellectuelle>

Indirect greenhouse gas emissions (tCO <sub>2</sub> e, scope 2)	2021	2020
Buildings (construction and renovation)	165,24 t	79,14 t
Scientific equipment	151,47 t	Not assessed
Furniture	6,76 t	Not assessed
IT equipment	20,34 t	Not assessed
<b>Total</b>	<b>343,81 t</b>	<b>Incomplete</b>

## d) Digital Footprint

Digital and computer technologies have a high environmental impact, particularly due to the consumption of electricity and the extraction of rare metals necessary for the manufacture of components. With the digital transformation of the company, the digital footprint becomes an important category of emissions.

The categories detailed here are then integrated into the corresponding scoping remits: IT equipment is counted as part of fixed assets (scope 3), the electricity consumption associated with the equipment is integrated into the company's overall electricity consumption (scope 2) and emissions related to the use or storage of external data not included in MedinCell's electricity consumption (such as external emails and servers) will soon be integrated into the category of 'other indirect emissions' in scope 3.

Indirect greenhouse gas emissions	2021	2020
Fixed IT assets (tCO <sub>2</sub> e, scope 3)	20,34 t	Not assessed
Associated electricity consumption	kWh, currently under evaluation	Not assessed
GHG emissions from internal assets (tCO <sub>2</sub> e, scope 2)	t, currently under evaluation	Not assessed
Use/Storage of external data	Go, currently under evaluation	Not assessed
GHG emissions linked to the use of external material (tCO <sub>2</sub> e, scope 3)	t, currently under evaluation	Not assessed

The data obtained from Apple® and ADEME monetary emissions factors have a significant degree of uncertainty, ranging between 15% and 100%<sup>61,62,63</sup>. Such data aims to approximate the distribution of carbon emissions across the different activities of the company.

## e) Business travel

MedinCell operates at an international level. Whenever possible, employees utilize video-conferencing to communicate with partners. When business travel is required, the Company favors business travel by train as much as possible, as the CO<sub>2</sub>

emissions are much lower than those of planes. Pandemic aside, many of the Company's interlocutors are located in the United States of America (regulatory agencies, medical investigators, investors, industrial partners, scientific congresses, etc.) or on other continents, and employees resort to air travel to meet them when video-conferencing is not possible or appropriate.

The table below shows the annual change in the amount of CO<sub>2</sub> emitted directly or indirectly during business trips by train, plane or rental car, as well as during hotel visits:

	2021	2020
Mileage for all types of transport	226 699 km	46 940 km
Greenhouse gas emissions (tCO <sub>2</sub> e, scope 3, upstream)	43,4 t	3,49 t

<sup>61</sup> [https://www.apple.com/environment/pdf/products/notebooks/13-inch\\_MacBookPro\\_PER\\_may2019.pdf](https://www.apple.com/environment/pdf/products/notebooks/13-inch_MacBookPro_PER_may2019.pdf)

[https://www.apple.com/environment/pdf/products/desktops/Macmini\\_PER\\_Mar2020.pdf](https://www.apple.com/environment/pdf/products/desktops/Macmini_PER_Mar2020.pdf)

[https://www.apple.com/environment/pdf/products/notebooks/13-inch\\_MacBookPro\\_PER\\_May2020.pdf](https://www.apple.com/environment/pdf/products/notebooks/13-inch_MacBookPro_PER_May2020.pdf)

<sup>62</sup> [/ademe-ge-tic-0212.pdf](https://www.ademe-ge-tic-0212.pdf)

<sup>63</sup> <https://www.associationbilancarbonate.fr/wp-content/uploads/2018/03/guide-methodologique-annexes.pdf>

The year 2020 is not representative of emissions related to business travel. Indeed, the volume of air travel decreased by 95% with the public health crisis. Travel has not yet returned to pre-pandemic levels, as in 2019 emissions stood 188,9 tCO<sub>2</sub>e.

Commuting is a significant part of the company's greenhouse gas emissions. The Mobility Guidance Act, which entered into force in France in 2019, requires companies with more than 50 employees to set up a mobility plan in order to reduce pollution caused by commuting. An initial study in 2018 of the distribution of employees' homes contributed to the decision to expand existing infrastructure rather than relocate, in order to remain central to employees' homes, and avoid causing longer commutes.

associated carbon footprint thanks to the use of ADEME Carbon Base emission factors<sup>64</sup>. This footprint was then weighted in relation to the size of the workforce and also by the remote-working ratio (estimated at 45% over the year, and which therefore had a strong impact on commuting frequency estimated by the study). These estimates have a high degree of uncertainty, but help establish a relative contribution of different emission sources and a baseline for progress.

In the middle of 2021, and in consultation with local stakeholders and Montpellier Metropole, MedinCell agreed to develop a mobility plan for the years 2022-2025. The year 2021 has made it possible to update geographical mapping of employees' homes, post-covid behaviors and habits, and to relaunch communication actions encouraging employees to participate in the transition towards a more sustainable mobility. MedinCell was one of the first 30 companies to join the Montpellier Metropole carpooling initiative and to deploy the Klaxit carpooling application at the end of 2021. In addition, for a period of one year from December 2021 employees are financially incentivized to carpool thanks to an energy saving certificate system. After 4 months of activity, this service is used by 42 employees, contributing to a reduction in carbon impact of 666 kg CO<sub>2</sub>e<sup>65</sup>.

64 ADEME GES assessment site: : <https://bilans-ges.ademe.fr>

65 Data provided by Klaxit Insights

## 9.5 Pollution and waste management

The following table gives the annual comparison of the amount of waste from the Company, categorized as 'hazardous' laboratory waste and as corporate waste (assimilated as common household waste):

Waste	2021/2022	2020/2021
Laboratory waste, hazardous waste	18,72 t	17,48 t
Waste assimilated as household waste (estimates)	5,8 t	Not assessed
Indirect greenhouse gas emissions (tCO <sub>2</sub> e, scope 3)	9,41 t	Partially Evaluated (6,03 t)

The number and nature of laboratory activities have a direct impact on the volume of waste generated. A decrease was observed between 2019 and 2020, explained by a difference in the proportion of the type of activities undertaken. This year, the volume has slightly increased. The trend over recent years shows an increase in the volume of waste due to a growth in laboratory activities. Laboratory wastes, which are potentially dangerous for the environment, are sorted and stored in a specific way pending their weekly collection. An accredited company ensures their processing in specialized treatment centers.

The equivalent in tons of CO<sub>2</sub> of this laboratory waste, estimated at 7,1 tCO<sub>2</sub>e, is an approximate figure, as the composition of chemical wastewater and solvents can vary in nature and concentration, and the official emissions factors for Special (hazardous) Industrial Waste are extremely generic<sup>66,67,68</sup>.

Overall, employees actively participate in the reduction of general waste by limiting the use of paper and other single-use consumables, and recycle paper, cardboard and plastics through the use of dedicated sorting bins. Those business waste assimilated as domestic waste are collected and treated by the Montpellier Agglomeration.

In early 2020, Montpellier Méditerranée Métropole, which includes the town of Jacou town, simplified the sorting of household common waste. An employee awareness campaign was conducted post lock-down and seems to be effective as the proportion of waste going to recycling has increased by 10 percentage points in 4 months. The volume of assimilated waste created is partly correlated to staff presence on site, estimated in 2021 to be on average 55% of its physical workforce.

<sup>66</sup> <https://diren.mines-paristech.fr/Sites/Thopt/fr/res/FicheGuideGES.pdf>

<sup>67</sup> <https://www.bilans-ges.ademe.fr/docutheque/secto/guide%20sectoriel%20CHIMIE-Mai%202015%20V1.pdf>

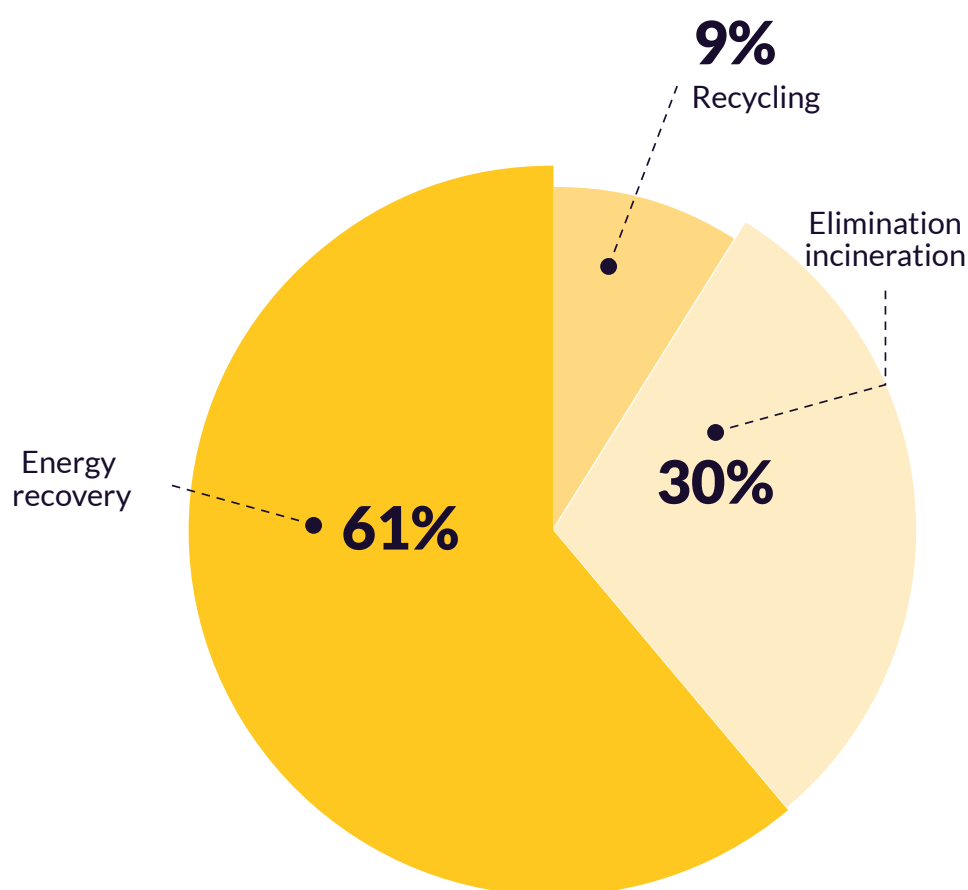
<sup>68</sup> [https://www.bilans-ges.ademe.fr/documentation/UPLOAD\\_DOC\\_FR/index.htm?dechets\\_dangereux.htm](https://www.bilans-ges.ademe.fr/documentation/UPLOAD_DOC_FR/index.htm?dechets_dangereux.htm)

Half of this waste stream goes to recycling, the other half this year consists mainly of waste related to covid barrier measures. The environmental impact of this general waste is estimated at 2,3 tCO<sub>2</sub>e.

In addition, MedinCell donated 3 large boxes of new, but expired for pharmaceutical-grade, test tubes to science

teachers and eco-delegate students at Jacou and Lunel middle schools. This small action, beside the minimal reduction of our carbon footprint, has allowed the promotion of science and the expansion of Company-educational institution interactions to the theme of sustainable development.

## Final destination of laboratory and assimilated household waste



## 9.6 Carbon Footprint and Greenhouse Gas Emissions (GHG)

MedinCell is continuing its efforts to assess its environmental impact, and has completed its GHG assessment, aligning as close as possible to the ISO 14064-1 standard, on several scope 3 items for 2021 (scope 3 corresponding to the company's indirect emissions, such as the extraction of materials purchased to produce products, or emissions related to employee transport).

Scopes 1 and 2 (direct emissions and electricity consumption related emissions) are evaluated from reliable activity data and precise emission factors, with a degree of uncertainty of less than 5%. For scope 3, some activity data were reconstructed by extrapolation, with a degree of uncertainty of up to 30%. Regarding emission factors, despite the use of factors with the least degree of uncertainty, the degree of uncertainty for some factors can reach 100%.

However, the evaluation of certain emission items in scope 3 makes it possible to specify the relative impact of items and the overall environmental footprint of

the Company. To date, not all items in scope 3 can be evaluated, and high uncertainties remain, in particular due to the great diversity of products, services and equipment used in the chemical sector and the lack of references to literature on the subject.

Despite the uncertainties, the carbon footprint indicates that a significant proportion of emissions are related to the physical assets of laboratory buildings and equipment over a 10-year period. This impact is the indirect consequence of the Company's growth in recent years and cannot be reduced.

The impact of business travel and commuting represents a significant proportion of the GHG balance sheet with totals of 9% and 18% respectively. Looking at the 2019 data, more frequent business trips led to the emission of more than four times the amount of CO<sub>2</sub>e, roughly of the same order of magnitude as buildings assets. The resumption of business travel risks to shift the relative impacts of certain activities.

GHG emissions in tCO <sub>2</sub> e	2021/2022	2020/2021
<b>Upstream activities Scope 3</b>		
Procurement	Not assessed	Not assessed
Purchases of products or services	Not assessed	Not assessed
Leased Assets	Under current assessment	Not assessed
Fixed assets	343,81 t	Incomplete
Of which buildings (construction and renovation)	165,24 t	79,14 t*
Of which scientific equipment	151,47 t	Not assessed
Of which furniture	6,76 t	Not assessed
Of which IT equipment	20,34 t	Not assessed
Business travel	43,4 t**	3,49 t**
Commuting	88,72 t**	Not assessed
Transportation of visitors	Anecdotal	Anecdotal
<b>Company activities</b>		
Scope 1 Source of Fossil Combustion	0	0
Scope 2 Electricity consumption	9,82 t	7,64 t
Of which company vehicle	0,004 t	0,006 t
Including internal digital services	Under current assessment	Not assessed
Digital Impact	Under current assessment	Not assessed
<b>Scope 3 Downstream Activities</b>		
Waste from activities	9,41 t	6,03 t*
Transport of goods	Not assessed	Not assessed
Use of products sold	Not applicable to date	Not applicable to date
End of life of products sold	Not applicable to date	Not applicable to date
Investments	Fixed assets or negligible	Fixed assets or negligible
Other indirect emissions	Not assessed	Not assessed
In which external digital	Under current assessment	Not assessed

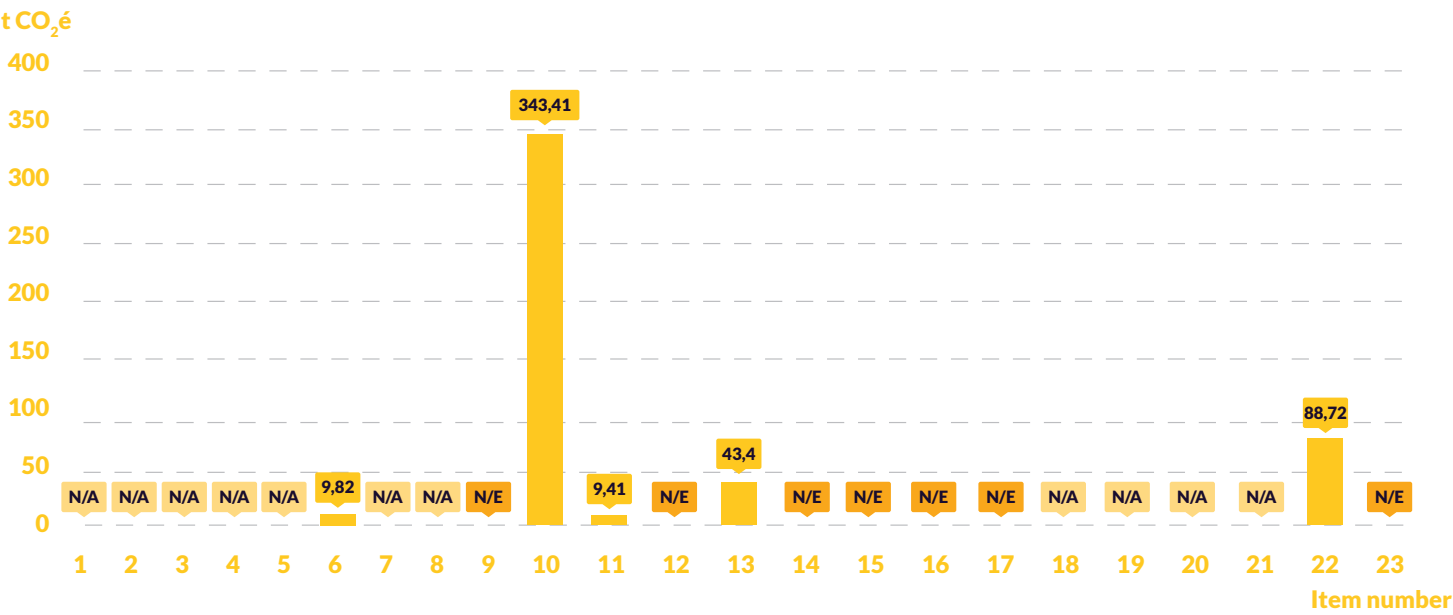
\* Perimeter incomplete or different from one year to the next, \*\* impacted by the covid pandemic in 2020/21



Categories of Emissions	Scope	Item Number	Emission sources	% GES	Total 2021 in CO <sub>2</sub> e	Total 2020 in CO <sub>2</sub> e
Direct GHG emissions	1	1	Direct emissions from stationary sources of combustion	N/A	N/A	N/A
	1	2	Direct emissions from mobile combustion engine sources	N/A	N/A	N/A
	1	3	Direct process emissions excluding energy use	N/A	N/A	N/A
	1	4	Fugitive emissions	N/A	N/A	N/A
	1	5	Emissions from biomass (soils and forests)	N/A	N/A	N/A
	Subtotal			0%	0	0
Indirect emissions associated with energy	2	6	Indirect emissions associated with electricity consumption	2%	9,82	7,64
	2	7	Indirect emissions associated with consumption of steam, heat or cooling	N/A	N/A	N/A
	Subtotal			2%	9,82	7,64
Other indirect GHG emissions	3 upstream	8	Energy-related emissions not included in items 1 to 7	N/A	N/A	N/A
	3 upstream	9	Purchases of products or services	N/E	N/E	N/E
	3 upstream	10	Fixed assets	69%	343,81	79,14*
	3 downstream	11	Waste	2%	9,41	6,03*
	3 upstream	12	Upstream freight transport	N/E	N/E	N/E
	3 upstream	13	Business travel	9%	43,4**	3,49**
	3 upstream	14	Leased assets upstream	N/E	N/E	N/E
	3 downstream	15	Investments	N/E	N/E	N/E
	3 upstream	16	Transportation of visitors	N/E	N/E	N/E
	3 downstream	17	Downstream freight transport	N/E	N/E	N/E
	3 downstream	18	Use of products sold	N/A	N/A	N/A
	3 downstream	19	End of life of products sold	N/A	N/A	N/A
	3 downstream	20	Downstream franchise	N/A	N/A	N/A
	3 downstream	21	Downstream leasing	N/A	N/A	N/A
	3 upstream	22	Commuting	18%	88,72**	N/E
	3 downstream	23	Other indirect emissions	N/E	N/E	N/E
	Subtotal 3 upstream			96%	475,93	82,63
	Subtotal 3 downstream			2%	9,41	6,03
	Subtotal			98%	485,34**	88,66*
	TOTAL			100%	495,16**	96,3*

N/A: Not Applicable, N/E: Not Estimated, \* incomplete or different perimeter, \*\* impacted by covid pandemic

# Emissions per source in t CO<sub>2</sub>



# ≈ 10. Ethical and fair practices

*Established in France, MedinCell complies with both French and European regulations currently in force.*

*As a matter of interest, France has ratified the eight core ILO conventions. The ILO has defined as core conventions on the fundamental principles and rights at work: freedom of association and effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, abolition of child labor and the elimination of discrimination in respect of employment and occupation.*

France has also ratified the Kyoto Protocol and passed into French law the Water and Aquatic Environment Act, the Grenelle I and II Acts and the Energy Transition for Green Growth Act.

MedinCell supports these principles and ratified the UN Global Compact treaty in August 2021 and again in January 2022.

The Company thus formalizes its commitment to human rights, the promotion of international labor standards, environmental protection and the fight against corruption.

In 2021, MedinCell shared its ethical commitments in a Code of Ethics and a Code of Conduct, available on the Company's website. The Company plans to extend its commitments through the publication of a Supplier Code of Conduct.

MedinCell values trust, respect and integrity in all its interactions and activities. In particular, the Company strives to ensure:

- The creation of safe, high-performing and high-quality technologies and products through continuous integrated quality /risk management and a continuous improvement approach,
- The requirement of compliance with the legal framework and the promotion of a responsible and ethical corporate culture within MedinCell through training and controlled procedures,
- The selection of all suppliers, service providers and subcontractors by applying criteria relating to quality, legal and regulatory compliance, and also respect for human rights, ethics, environmental approach and sustainability,
- Working with partners who share its values, striving to evaluate them by considering their practices in terms of safety and quality, respect for human rights, working conditions, sustainable development and fair trade and the fight against corruption,
- Transparency, sincerity and proximity with its shareholders so that they understand, adhere to and support its company's project.

Currently, no product based on MedinCell technology is yet on the market. The most advanced are awaiting a marketing authorization or are in the process of clinical trials governed by strict regulations. In particular, these tests are subject to prior authorization not only by the regulatory authorities but also by ethics committees, comprising a medical team as well as patient representatives.

# 10.1 Measures taken for patient health and safety

*MedinCell designs and develops drug candidates with the aim of treating diseases with high medical need. The Company undertakes to respect patients participating in clinical trials, whether conducted directly or through its partners.*

MedinCell's practices aim to produce reliable, relevant and traceable data. This data is controlled through a quality management system, which permeates through all activities, from exploratory research to clinical development. All activities are governed by the Company's Quality Charter.

The reliability of products is monitored throughout the development process and the Company is committed to maintaining the highest standards of quality:

- Through its service providers, ensuring compliance with the regulatory requirements in force;
- Internally, by implementing procedures based on quality standards to control the reliability and traceability of data, in particular through the use of internal audits.

Clinical trials of BEPO® products carried out by the commercial partners of and by MedinCell comply with

Good Clinical Practices: clinical research is only carried out after authorization by the competent authorities and a favorable opinion of an Independent Ethics Committee. The inclusion of the patient in a clinical trial is confirmed only once free and informed consent has been given by the patient in question.

The Codes of Ethics and Conduct provide more detail on these matters.

## 10.2 Promotion of ethical and fair practices

The Company requires its employees to have complete integrity in their relations with all their interlocutors (colleagues, service providers, partners, patients, regulatory authorities, etc.). The main principles and standards of conduct applicable to MedinCell's activities and as described in MedinCell's Codes of Ethics and Conduct are supported by additional documents and actions designed to promote them.

Employees can refer to:

- the MedinCell Internal Rules and Regulations,
- the CSR Charter,
- the Financial Market Compliance Code, and insider trading prevention training,

- information relating to the control and limitation of expenses,
- the legal obligations relating to the declaration of interests (Loi Bertrand),
- the evaluation questionnaire for service providers and suppliers based on CSR criteria,
- the Code of Ethics and its reporting system,
- the Code of Conduct.

MedinCell has also worked on other actions and documents that will be implemented hence after, including the implementation of the related training courses as well as the update of its Internal Rules and Regulations.

## 10.3 Animal Research

As part of its research and development activities, MedinCell orders preclinical studies, which must be conducted within a strict regulatory framework. They are carried out by external providers: the CROs (Contract Research Organization, companies managing preclinical regulatory studies or clinical trials). In accordance with European Directive 2010/63/EU on the protection of animals used for scientific purposes, MedinCell ensures the establishment of an ethics committee for animal research within the CROs with which it collaborates. It also ensures accreditation by the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) for

North American CROs. The Ethical Committees (or IACUCs for «Institutional Animal Care and Use Committees» in North America) review all protocols implemented and thus ensure the scientific relevance of the experiments carried out and animal welfare.

Beyond the regulatory framework, MedinCell requires, as far as possible, the presence of an internal representative to ensure the proper handling and administration of products and the proper commencement of studies.

The Code of Ethics provides more detail on this subject.

## 10.4 Subcontracting and suppliers

A significant part of the Company's activities is entrusted to service providers, in particular for activities requiring special approvals from a regulatory point of view, for example: Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP). The service providers used by the Company primarily provide intellectual expertise and services, and include notably CROs and service providers in charge of the production and control of drug candidates CDMO.

Major suppliers include suppliers of laboratory equipment, materials and consumables and raw materials for the composition of drug candidates.

The rigorous selection of the Company's suppliers and subcontractors is carried out on the basis of a multi-criteria evaluation, competitive bidding and a qualification audit where necessary. All selected providers must comply with applicable regulatory requirements and MedinCell

expectations at operational level and in terms of quality. For example, packaging and transport operations are carried out within the framework of Good Distribution Practices (GxP quality guidelines & regulations).

In addition, inspections carried out by the competent authorities in the context of issuing approvals constitute an additional assurance.

In 2019, MedinCell wanted to extend the selection criteria and strengthen its ethical, environmental and sustainability requirements. To this end, MedinCell has developed a questionnaire for evaluating CSR criteria for the CROs and CDMOs. The Company plans to extend these assessments to other service providers and suppliers.

## 10.5 Partner relations

MedinCell surrounds itself with partners who share its vision to make a real impact on global health. The Company strives to identify partners capable of supporting its mission and to evaluate them by considering their practices in terms of safety and quality, respect for human rights, working conditions, sustainable development, fair trade and the fight against corruption. The Company plans to expand the dialogue with these partners around certain CSR themes.

## 10.6 Shareholder relations

Having become a public limited company in October 2018, MedinCell aims to maintain a strong relationship with all its shareholders, that is both transparent and sincere. The regulatory constraints linked to its status as a listed company and the resulting dispersion of shareholders have forced the Company to review and enrich its communication system.

In the interests of proximity, MedinCell has replaced the traditional bi-annual shareholders' meetings with video conferences, at least twice a year, open to all shareholders and during which all participants have the opportunity to question the MLT.

The Company also organizes several meetings per year with its shareholders and investors in France, in many European countries and also in the United States. Due to the recent public health situation, MedinCell has not been able to organize many face-to-face meetings with its shareholders in the last year. However, the Company has continued to maintain direct contact with all of its shareholders by organizing video-conferences as mentioned above.



# ≈ 11. Summary table of indicators

Indicator	2021/2022	2020/2021	2019/2020
<b>Governance</b>			
Share of capital held by founders, families and Board members	18%	24%	26%
Share of capital held by employees (excluding CEO and Executive Board)	5%	4%	4%
Average number of shares comprising the capital (in units)	25 148 703	24 691 043	20 110 466
Existence of double or multiple voting rights	yes	yes	yes
Existence of shareholder agreement(s)	yes	yes	yes
Number of Supervisory Board members	6	6	5
Number of independent or external Supervisory Board members	4	4	3
Number of women on the Supervisory Board	2	3	2
Number of Executive Board members	4	4	4
Number of women on the Executive Board	0	0	0
Total remuneration paid to the CEO (€k)	303,62	262, 31	272,95
Result of the AGM vote on the resolution on the remuneration of the Executive Board Chairman	voted in sept 2022	84,33%	91,33%
Share of audit costs within auditors' costs	100%	55,88 %	68,44%
Existence of a manager or department in charge of CSR	yes	yes	yes
Presentation of the CSR strategy to the Executive Board during the year	no	no	no

Indicator	2021/2022	2020/2021	2019/2020
<b>Social</b>			
Staff (headcount)	155	148	140
Share of staff on permanent contracts	89%	93%	95%
Turnover	10,81%	13,18%	14,75%
Departure rate of workforce on permanent contracts	6,93%	9,2%	12,5%
Distribution of staff M/F (%)	43/57	43/57	45/55
Average age (years)	37	37	37
Average remuneration of women <sup>69</sup>	46 340€	45 787€	44 146€
Average remuneration of men <sup>70</sup>	56 489€	57 623€	55 285 €
Workforce trained (% of workforce)	65%	64%	» 50%
Training costs (external)	106 045€	145 939€	201 183 €
Absenteeism rate (% of staff)	3,43%	1,80%	2,26%
Frequency rate TF3 (LTI+RA+Care+Near-Misses)	119	69	60
<b>Environnement</b>			
Scope 1 (t CO <sub>2</sub> e)	0 t	0 t	0 t
Scope 2 (t CO <sub>2</sub> e)	9,82 t	7,64 t	7,05 t
Scope 3 (t CO <sub>2</sub> e)	485,16 t	3,49 t*	18,89 t*
Production of hazardous or special waste (tons)	18,72 t	17,48 t	20,86 t

\* scope incomplete or different from one year to the next

69 Average annual gross remuneration, represented by gross salary, including Executive Board, excluding CEO

70 Average annual gross remuneration, represented by gross salary, including Executive Board, excluding CEO

# ≈ 12. Cross-reference tables

# UN Global Compact

UN GLOBAL COMPACT	Reference document	Section
1. Businesses should support and respect the protection of internationally proclaimed human rights	ESG Report Code of Ethics	10 Ethical and fair practices 3.1 Policy on human rights, freedom of association and collective bargaining
2. Businesses should make sure that they are not complicit in human rights abuses	ESG Report Code of Ethics	10 Ethical and fair practices 3.1 Policy on human rights, freedom of association and collective bargaining
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	ESG Report Code of Ethics	7.4 b) Relations with staff representatives 3.1 Policy on human rights, freedom of association and collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labor	CSR Report Code of Ethics	10 Ethical and fair practices 3.1 Policy on human rights, freedom of association and collective bargaining
5. Businesses should uphold the effective abolition of child labor	ESG Report Code of Ethics	10 Ethical and fair practices 3.1 Policy on human rights, freedom of association and collective bargaining
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	ESG Report Code of Ethics	7.7. Equality 3.2 Policy on non-discrimination and equal opportunity
7. Businesses should support a precautionary approach to environmental challenges	ESG Report Code of Ethics	9.1 Environmental management 3.5 Environmental policy
8. Businesses should undertake initiatives to promote greater environmental responsibility	ESG Report Code of Ethics	9.1 Environmental management 3.5 Environmental policy
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	ESG Report	9.1 a) et b)
10. Businesses should work against corruption in all its forms, including extortion and bribery	ESG Report Code of Ethics	10 Ethical and fair practices 3.5 Anti-corruption, anti-bribery, and anti-kickback laws
Includes a CEO statement of continued support for the UN Global Compact and its ten principles	ESG Report	Introduction
Description of actions or relevant policies related to Human Rights	Code of Ethics	3.1 Policy on human rights, freedom of association and collective bargaining
Description of actions or relevant policies related to Labour	Code of Ethics	3.1 Policy on human rights, freedom of association and collective bargaining
Description of actions or relevant policies related to Environment	Rapport RSE Code d'éthique	9 Environment 3.5 Environmental policy
Description of actions or relevant policies related to Anti-corruption	Code of Conduct	3.5 Anti-corruption, anti-bribery, and anti-kickback laws
Includes a measurement of outcomes	CSR Report, Rating ESG ISS GAIA	Full reports

GRI	Reference document	Section
201 : Economic Performance	ESG Report	2.2 Economic data 3.3 Management Compensation 5. Risks factors, Materiality, and CSR Objectives 7.1 Employment 7.1b) Compensations and their evolution 7.4 c) Employee benefits
202 : Market Presence	ESG Report	7.4 c) Employee benefits
203 : Indirect Economic Impacts	ESG Report	6.1 § More accessible treatments § An economic opportunity for society
204 : Procurement Practices	ESG Report	8.3 Participation in the local economy
205 : Anti-Corruption	ESG Report Code of Ethics Code of Conduct	10. Ethical and fair practices 3.5 Anti-corruption, anti-bribery, and anti-kickback laws
206 : Anti-Competitive Behaviour	ESG Report Code of Ethics Code de Conduite	10. Ethical and fair practices
207 : Tax	URD	2.3.4. Risks related to tax measures and public funding for the Company (CIR, advances, etc.)
301 : Materials	ESG Report	9.4 Sustainable use of resources: environmental efficiency
302 : Energy	ESG Report	9.4 Sustainable use of resources: environmental efficiency
303 : Water and Effluents	ESG Report	9.1 a) and b) 9.4 b) Annual water consumption
304 : Biodiversity	ESG Report	9.1 Environmental management
305 : Emissions	ESG Report	9.6 Carbon Footprint and Greenhouse Gas Emissions
306 : Waste/Effluents and waste	ESG Report	9.5 Pollution and waste management
307 : Environmental Compliance	Code of Ethics	3.5 Environemental policy
308 : Supplier Environmental Assesment	ESG Report	10.4 Subcontracting and suppliers
401 : Employment	ESG Report	7.1 Employment
402 : Labor/management Relations	ESG Report	7.4 b) Relations with staff representatives
403 : Occupational Health and Safety	ESG Report Politique EHS	7.5 b) Health and Safety Policy c) Annual prevention program
404 : Training & Education	ESG Report	7.6 Training & development

GRI	Document de référence	Section de référence
405 : Diversity & Equal Opportunity	ESG Report	7.7 Equality
406 : Non-discrimination	ESG Report	7.7 Equality
407 : Freedom of Association & Collective Bargaining	ESG Report	7.4 b) Relations with staff representatives
408 : Child Labor	ESG Report	10. Ethical and fair practices
409 : Forced or Compulsory Labor	ESG Report	10. Ethical and fair practices
410 : Security Practices	ESG Report	7.5 c) Annual prevention program
411 : Rights of Indigenous People	ESG Report	N/A
412 : Human Rights Assessment	ESG Report	10. Ethical and fair practices
413 : Local Communities	ESG Report	8.3 Participation in the local economy
414 : Supplier Local Assessment	ESG Report	10.4 Subcontracting and suppliers
415 : Public Policy	Code of Ethics	10. Ethical and fair practices
416 : Customer Health and Safety	ESG Report	10 .Ethical and fair practices
417 : Marketing and Labelling	N/A	N/A
418 : Customer Privacy	Code of Ethics	3.4 Data Privacy Policy
419 : Socio-economique compliance	Code of Ethics URD	

# Sustainable Development Goals directly addressed

	Objective	Target	Description	Document	Section
 	No poverty	1.a	Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	ESG report	6.1 More accessible treatments
		3.3	By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	ESG report	6.6 Besoins et impacts attendus pour le produit de contrôle du vecteur de transmission de la malaria
		3.7	By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes	ESG report	6.5 Expected needs and impacts of the contraceptive product
	Good Health and well-being	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	ESG report	6.1 More accessible treatments
		3.b	Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all	ESG report	6.1 More accessible treatments



	Objective	Target	Description	Document	Section
<b>5</b> GENDER EQUALITY 	Gender Equality	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	ESG report	7.7 Equality
		5.6	Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences	ESG report	6.5 Expected needs and impacts of the contraceptive product
<b>6</b> CLEAN WATER AND SANITATION 	Clear water and sanitation	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	ESG report	9.1 a) et b)
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	Decent work and economic growth	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	ESG report	7.7 Equality
		8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	ESG report EHS Policy Roadmap EHS	7.5 b) Health and Safety Policy c) Annual prevention program
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Industry, innovation and infrastructure	9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	ESG report	8. Be a committed player

	Objective	Target	Description	Document	Section
<b>10</b> REDUCED INEQUALITIES 	Reduced inequalities	10.3	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	ESG report	7.7 Equality
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	Responsible consumption and production	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	ESG report	9.1 a) and b) 9.5 Pollution and waste management
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	ESG report	9.5 Pollution and waste management
<b>13</b> CLIMATE ACTION 	Climate action	13.2	Integrate climate change measures into national policies, strategies and planning	ESG report	9. Environment
		13.3	Integrate climate change measures into national policies, strategies and planning	Code of ethics	9.1 Environmental management
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	Peace, justice and strong institutions	16.5	Substantially reduce corruption and bribery in all their forms	ESG report	10. Ethical and fair practices
		16.6	Develop effective, accountable and transparent institutions at all levels	Code of Ethics and Code of Conduct	Full documents

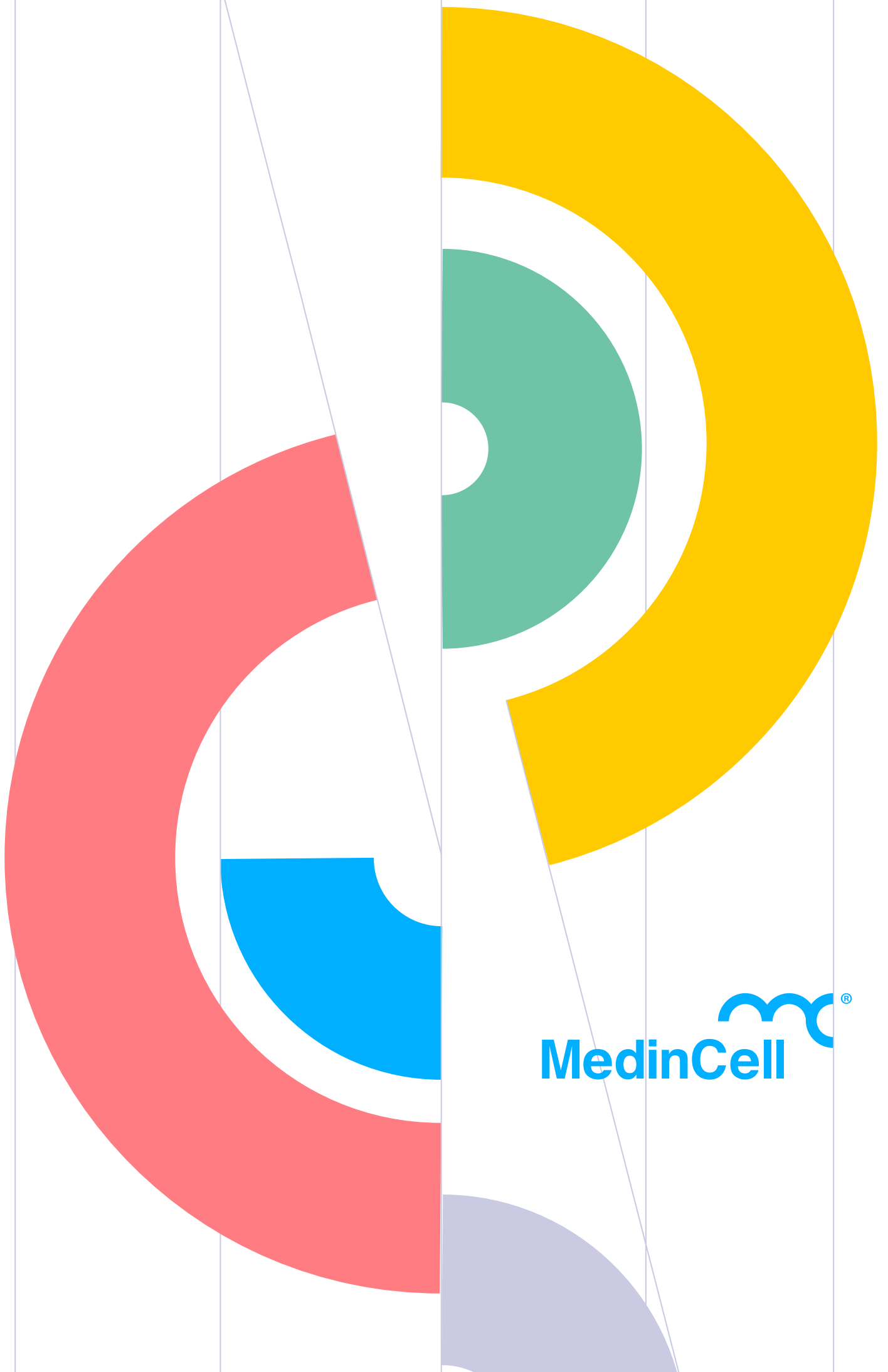
	Objectifve	Target	Description	Document	Section
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div>  </div>	Partnerships for the goals	17.16	Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	ESG report	8.1 A network of committed actors for sustainable health
		17.17	Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed	ESG report	8.1 A network of committed actors for sustainable health

# ISO 26000

	Document	Section
6.2 Governance	ESG report	3. 4.
6.3 Human rights	Code of ethics	3.1
6.3.3 Issue 1: Due diligence	ESG report Code of ethics	10. 3.1
6.3.4 Issue 2: Human rights risk situations	ESG report Code of ethics	7.7 3.1
6.3.5 Issue 3: Avoidance of complicity	Code of conduct	3.5
6.3.6 Issue 4: Resolving grievances	ESG report Code of ethics	10. 3.1
6.3.7 Issue 5: Discrimination and vulnerable groups	ESG report	7.7
6.3.8 Issue 6: Civil and political rights	ESG report	7.4c)
6.3.9 Issue 7: Economic, social and cultural rights	ESG report	7.4c)
6.3.10 Issue 8: Fundamental principles and rights at work	ESG report	7.1
6.4 Labour Practices	ESG report	7.
6.4.3 Issue 1: Employment and employment relationships	ESG report	7.1
6.4.4 Issue 2: Conditions of work and social protection	ESG report	7.5
6.4.5 Issue 3: Social dialogue	ESG report	7.4
6.4.6 Issue 4: Health and safety at work	ESG report EHS policy	7.5
6.4.7 Issue 5: Human development and training in the workplace	ESG report	7.6

	Document	Section
<b>6.5 Environment</b>	ESG report	9.
6.5.3 Issue 1: Prevention of pollution	ESG report	9.5
6.5.4 Issue 2: Sustainable resource use	ESG report	9.4
6.5.5 Issue 3: Climate change mitigation and adaptation	ESG report	9.
6.5.6 Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	ESG report	9.
<b>6.6 Fair operating practices</b>	ESG report	10
6.6.3 Issue 1: Anti-corruption	ESG report	10.
6.6.4 Issue 2: Responsible political involvement	ESG report	10.
6.6.5 Issue 3: Fair competition	ESG report	10.
6.6.6 Issue 4: Promoting social responsibility in the value chain	ESG report	8.1
6.6.7 Issue 5: Respect for property rights	Code of ethics	2.3
<b>6.7 Consumer Issues</b>		
6.7.3 Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	Code of ethics	
6.7.4 Issue 2: Protecting consumers' health and safety	ESG report	10.1
6.7.5 Issue 3: Sustainable consumption	N/A	N/A
6.7.6 Issue 4: Consumer service, support, and complaint and dispute resolution	N/A	N/A
6.7.7 Issue 5: Consumer data protection and privacy	Code of ethics	3.4
6.7.8 Issue 6: Access to essential services	ESG report	6.
6.7.9 Issue 7: Education and awareness	ESG report	8.2 9.5

	Document	Section
6.8 Community involvement and development		
6.8.3 Issue 1: Community involvement	ESG report	8.3
6.8.4 Issue 2: Education and culture	ESG report	8.2
6.8.5 Issue 3: Employment creation and skills development	ESG report	7.6
6.8.6 Issue 4: Technology development and access	ESG report	6.
6.8.7 Issue 5: Wealth and income creation	ESG report	8.3
6.8.8 Issue 6: Health	ESG report	6.
6.8.9 Issue 7: Social investment	ESG report	6.



 **MedinCell**