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INTRODUCTION

In recent years, the issue of corporate social accountability has become an increasingly prominent concern.

Ethical aspects of fairness, responsibility, transparency and respect for human rights seem to be increasingly conditioning the economy and social systems, while at the same time elevating the role of all stakeholders (institutions, workers, suppliers, customers, associations, trade unions, etc.) within companies.

More companies are therefore deciding to assert their social accountability and gain the legitimacy to operate within their contexts by implementing specific ethical management tools:

- codes of ethics
- social and environmental accountability
- social labels
- environmental certification
- SA8000 ethical certification

In this context, STERIS S.P.A. (hereinafter referred to as STERIS), in December 2020, decided to traverse its ethical path via the following actions:

- drafting of a Social Accountability Policy
- implementation of a Social Accountability Management System
- drafting of SA8000 Social Accountability

the initial social accountability document was drawn up on 31.03.2021, the end of the 2021 fiscal year; this is therefore the first document drawn up by STERIS.

The aim of the SA8000 Social Accountability Document is to provide a report on the activities, initiatives and projects implemented by STERIS to ensure compliance with the requirements of the SA8000 standard, as well as to communicate in a clear and transparent manner to all stakeholders the company's performance in the context of issues relating to the concept of social accountability.

DESCRIPTION OF THE HOLDING

1.1 The Company

STERIS S.p.A. was founded as Bioster S.p.A. in 1987 and provided sterilisation, validation and laboratory services to public and private companies.

May 2014 – Bioster SpA was acquired by Synergy Health PLC UK which, in November 2015, merged with STERIS, a leading provider of hospital infection prevention products and services.

April 2016 – Bioster S.p.A. changed its name to STERIS S.p.A.

The table below shows the company’s workforce as of 31/03/2021.



1.2 Core Values

STERIS includes a code of conduct, which sets out the company’s values:

- **CUSTOMERS FIRST - ALWAYS.** Our Customer is the most important person in our business, to be treated with the utmost respect. No business activity, other than safety, is more important than listening, learning and providing superior product and service solutions to our Customers.
- **PEOPLE - the foundation.** We are committed to the safety and success of our people. We expect the performance of every person to continually improve with personal initiative and proper support. We treat each other with mutual respect and have fun in our work.
- **INNOVATION - the best.** We are leaders not followers. Our company is built on a collection of innovative ideas and a passion for continuous improvement. We challenge the status quo and take measured risks, exploring big and small ideas that improve our performance daily. We provide innovative product and service solutions to our Customers.
- **TEAMWORK - winning together.** We believe unity of purpose and teamwork enables us to do far more than we could individually. We draw strength from each other and communicate with fairness, candor, respect and courage – respectfully stating what we think even if it is unpopular. Our collaboration turns interesting ideas into great product and service solutions.
- **ACCOUNTABILITY - right now.** We say what we mean, and we honor our commitments. We hold ourselves and each other accountable for our results. We prefer action today versus tomorrow. We understand that value is created in our product development centers, our factories, and at our Customer’s sites.

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- **INTEGRITY - stewardship commitment.** We are stewards of the long-term success of our business and our people. We are trustworthy and honest, and carry out our work in a professional, ethical, and legal manner. We challenge actions inconsistent with our values.

The core values of STERIS in the field of Social Accountability are the following:

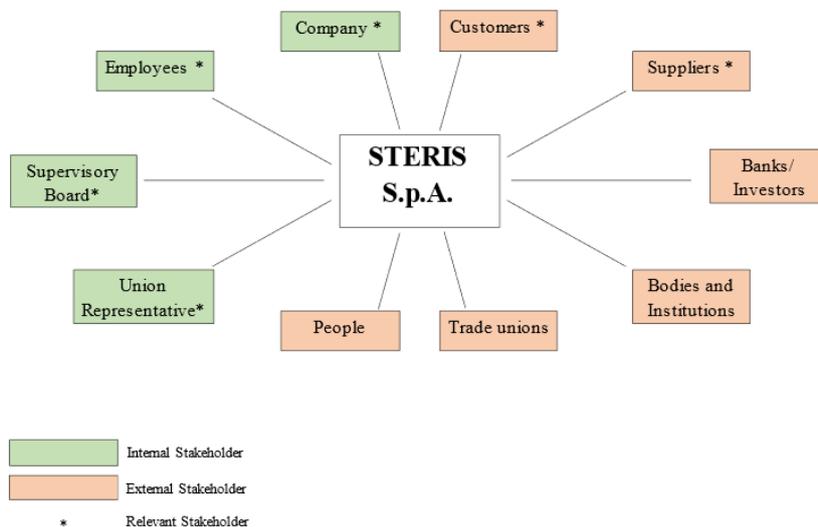
- staff welfare via respect for individuals, promotion of professional growth and working relationships based on mutual trust;
- fairness of relationships with suppliers and all stakeholders, via clear, transparent relations based on dialogue and continual discussion;
- transparency and dialogue with institutions.

1.3 Main Stakeholders

In the course of its activities, STERIS may interact with a number of parties (hereinafter referred to as stakeholders). Stakeholders can influence or be influenced by STERIS’ social accountability performance.

Among all stakeholders, STERIS has pinpointed those that are relevant in the process of achieving, maintaining and improving compliance with the SA8000 Standard and that, consequently, must be involved as a priority in the activities envisaged by the SA8000 Standard.

The result of this mapping process is as follows:



1.4 Social Accountability Policy

STERIS has developed a Social Accountability Policy in accordance with the SA8000 standard, which is published on the company website at <https://www.steris-ims.it/downloads/>

REQUIREMENTS OF THE SA8000:2014 STANDARD

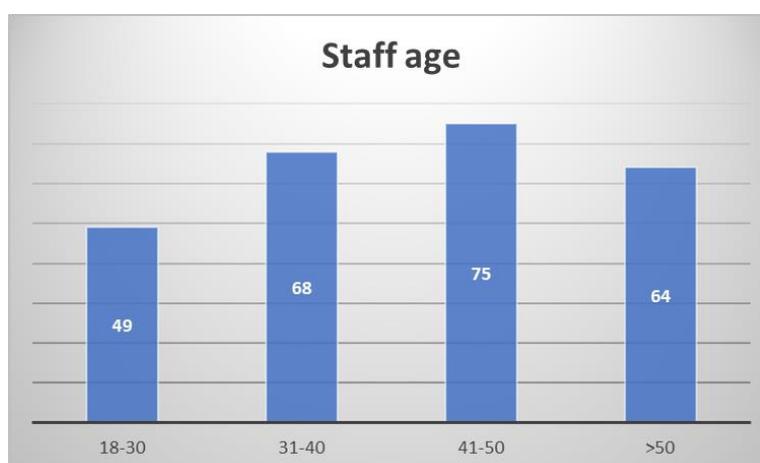
The annexed **Social Accountability Indicators** contain all the indicators detected and measured for each point in the standard.

2.1 Child Labour

STERIS does not use and does not intend in any way to support the use of child labour.

The procedures applied by HR eliminate the risk of hiring minors.

Below is the composition by age of the STERIS workforce as of 31/03/2021:



2.2 Forced and Bonded Labour

STERIS refrains from resorting to or supporting the use of forced or bonded labour.

At the start of employment, staff are not required to provide deposits or identity documents.

In order to ensure the full voluntary nature of any performance, STERIS is committed to ensuring that all workers are fully aware of the rights and duties arising from their employment contract.

A copy of the CCNL (National Collective Bargaining Agreement) is made available to staff who are able to consult it freely.

STERIS also provides support via its payroll office in the event of information or clarification of the applied CCNL, on salary and on payroll.

2.3 Health and Safety

STERIS is committed to providing all workers with a safe and healthy workplace and to taking all appropriate measures to prevent accident or damage to health that may occur at the company's sites.

In order to minimise, as far as is reasonably practicable, these risks attributable to the working environment, STERIS has implemented the following actions:

- appointment of a Prevention and Protection Service Manager, who is responsible for the correct application of the required legislation;
- appointment of fire-fighters and first aid workers;



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- appointment of Workers’ Safety Representative, with the task of representing workers with regard to aspects of health and safety at work;
- appointment of an occupational health physician to be responsible for implementing health surveillance of workers;
- drafting of a risk assessment document pursuant to Legislative Decree 81/08, which identifies all risks associated with STERIS’ activities and the actions that it undertakes to implement to prevent them;
- drafting of a Emergency and Evacuation Plan.

STERIS ensures that staff receive regular, documented health and safety training and that such training is repeated for new or reassigned staff. In addition to the documented training, regular meetings are included during which additional safety information activities are carried out.

STERIS is UNI ISO 45001 certified for the IMS business branch.

The health and safety figures for FY21 are shown below:

815 hours of training carried out with regard to safety



Accident data:

Number of accidents in the workplace: 7

Total accident days: 131

Frequency index: 14.09

Severity index: 0.184

2.4 Freedom of Association and Right to Collective Bargaining

STERIS respects the right of all staff to train and join trade unions of their choice and the right to participate in collective bargaining.

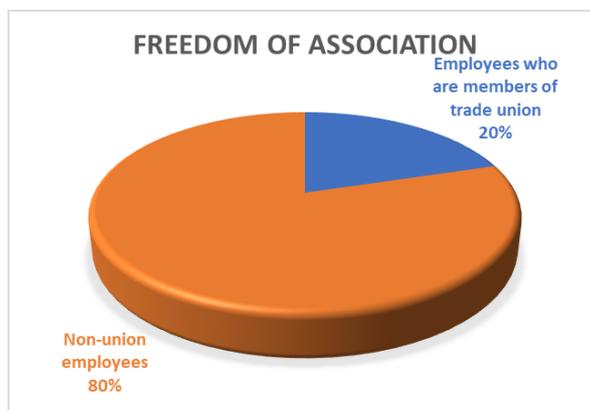
The Company undertakes to inform the workers regarding this right, explaining that joining the unions does not entail any negative consequences for the workers themselves.



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The Company undertakes not to interfere with the establishment, operation or organisation of trade union groups.

Trade union membership figures are shown below:



A Workers’ Representative has been appointed for SA8000, who acts as an intermediary with the Management for all needs or requirements regarding aspects of social accountability.

STERIS ensures that the Workers’ Representative for SA8000 is not subject to discrimination and makes the company premises available to allow the holding of trade union meetings or meetings between Workers’ Representatives for SA8000 and the workers themselves.

2.5 Discrimination

STERIS does not intend in any way to implement or support discrimination in recruitment, remuneration, access to training, promotion, dismissal or retirement, based on race, class, national or social origin, age, family responsibilities, religion, disability, gender, sexual orientation, trade union membership, political affiliation, or any other aspect that may be a source of discrimination.

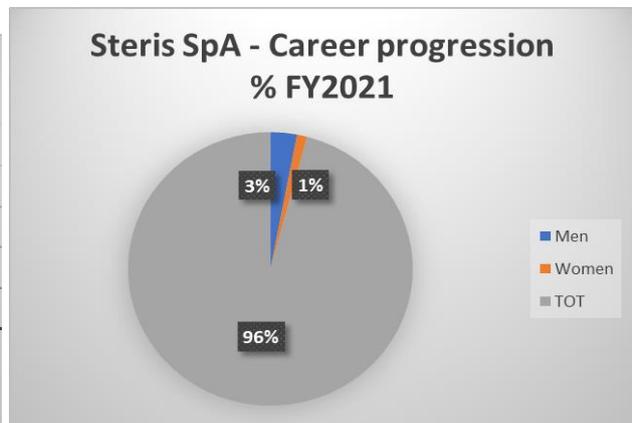
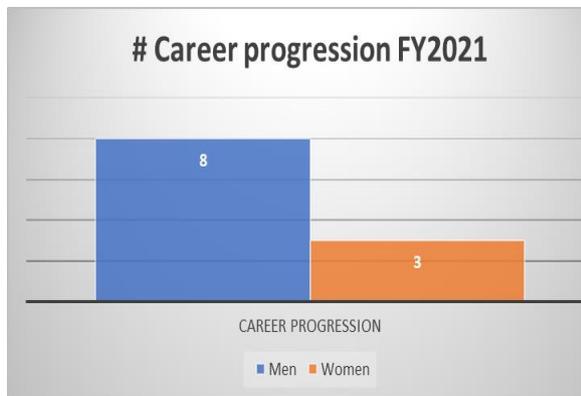
STERIS does not intend to interfere with the exercise of the staff’s right to follow principles or practices, or to meet needs related to race, class, national or social origin, family responsibilities, religion, disability, gender, sexual orientation, trade union membership, political opinion or any other aspect that may be a source of discrimination.

STERIS does not intend to allow discriminatory behaviour of any kind, including gestures, language, physical contact or otherwise in the workplace or with its customers.

In order to prevent discriminatory events of any kind, STERIS has established an anonymous reporting mechanism, which allows workers to report discrimination they have experienced, and for the company to implement all necessary measures to prevent the event from recurring.

STERIS undertakes to provide a response to all complaints and to take all necessary action in response to the aforesaid.

Data on the composition of the workforce according to different social categories and indicators on equal treatment of workers are outlined below:



2.6 Disciplinary Practices

STERIS does not intend to use or support the use of corporal punishment, mental or physical coercion, or verbal abuse.

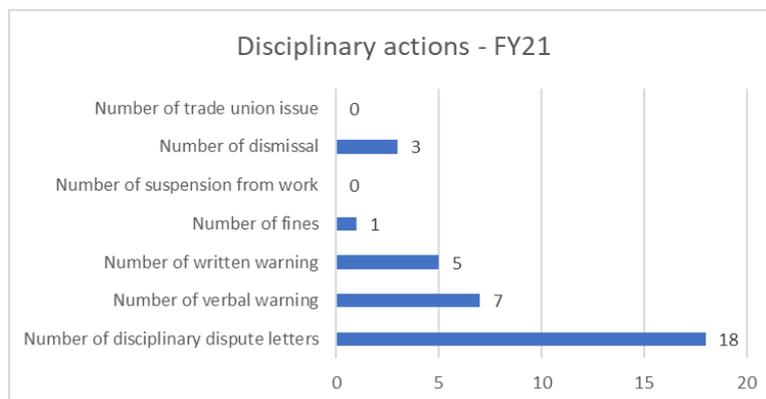
The Company undertakes to apply disciplinary procedures to workers in full compliance with the procedures established by the National Collective Bargaining Agreement and in compliance with the Workers’ Statute.

In applying disciplinary sanctions, STERIS undertakes, in adopting the measure, to fully comply with the rules established by the CCNL and the Workers’ Statute.

Data on disciplinary procedures are provided below:



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2.7 Working Hours

Working hours are in full compliance with the provisions of the National Collective Bargaining Agreement applicable in the Plastic Rubber sector.

Overtime is requested by staff only in case of urgency or during periods of greater workload, but always on a voluntary basis. Overtime hours never exceed 12 hours per week.

Any changes in the daily or weekly distribution of working hours are agreed on with the Management in order to meet the specific needs of the workers as far as possible.

FY21 indicators are provided below:

Percentage of authorised overtime in relation to standard working hours: 4%

Number of overruns of the maximum overtime allowed: 0

Number of days of remaining holidays/Total number of employees: 6.29

Number of persons with remaining holidays: 161

2.8 Salary

The Company pays salaries to staff on the 27th of each month by bank transfer, at the employee's choice, and pays all salary allowances for employees, in full compliance with the provisions of the employment contract and current legislation.

Processing of payslips is carried out with the support of a labour consultant, in order to provide workers with a payslip that is as clear and understandable as possible by workers.

The Company guarantees staff compliance with the legal minimum wage. Any overtime is remunerated with increases provided for in the applied Contract.

Furthermore, the Company undertakes not to enter into "labour-only" contractual agreements and "fake apprenticeship" schemes aimed at avoiding fulfilment of the Company's obligations to its staff under current labour and health and safety legislation.

SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

3.1 Introduction

STERIS includes a SA8000 Management System.

The system is managed via comprehensive documentation which includes:

- a Social Accountability manual, which describes the System, the activities put in place to implement the company’s policy and the allocation of roles and responsibilities as required by the relevant legislation.
- system procedures, developed in order to provide a detailed, documented description of how the activities that must be carried out in order to comply with the SA8000 standard are to be performed;
- records, which show that the System is operating and correctly managed.

The following is a summary of the main activities put in place for the implementation and operation of the management system.

3.2 Staff Training and Involvement

In FY21, training activities involved the staff in charge of the Social Accountability Management System, who were trained by external bodies to acquire a preliminary knowledge of the requirements of the Standard.

Tab. 01 – Staff training activities on the SA8000 standard in FY21

Type of training	No. of hours	No. of participants
“The standard and SA8000 certification”	1	2

From April 2021, training will be provided for all company staff, both regarding the requirements of the standard and on company procedures.

3.3 Dialogue with Stakeholders

STERIS has pinpointed all main stakeholders, to whom a communication will be sent regarding the ethical path taken by the Company. This social accountability document is the primary external communication tool that the Company intends to use to make all its stakeholders aware of its commitment to Ethics.

The company website also provides for the creation of a space dedicated to social accountability on which documents relating to the management of the Social Accountability System are to be uploaded.

The primary communication tool is, however, identified in this report.



3.4 Control of Suppliers

As required by the SA8000 standard, STERIS has initiated qualification of suppliers/subcontractors and sub-suppliers with respect to the requirements of the standard itself, via the following tools:

- promissory note, with which the legal representative of the supplier must formally undertake to comply with the requirements of the SA8000 standard
- SA8000 information questionnaire and sending of documentation such as a DURC (insurance contribution payment certificate), via which the company collects data and information to identify any criticalities

The implementation of the qualification process is planned for FY22 and the results are to be detailed in the following Social Accountability report.

3.5 Internal Audits

The social accountability management system is monitored via internal audits.

Execution of internal audits is planned for the three-year period FY22-FY24 and the results will be detailed in the following Social Accountability report.

3.5 External Audits

The social accountability management system is monitored via external audits carried out by an accredited third-party organisation.

In FY21, a pre-audit inspection was carried out in view of the certification process: certification inspections are planned for FY22.

3.6 Management Review

The management review was held on 16/07/2021. During this review, improvement objectives were established with regard to the Standard requirements (table 1) and the improvement actions for the SA8000 Management System (table 2).



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Table 1 - FY 2022 Objectives

Aspects	Objective	Action	Indicator	Target FY22
Child and child labour	Maintaining the current situation (not employing underage children)	No hiring of underage children	No. of employees under 18 years of age	0
			No. of complaints	0
Forced labour	Maintenance of the current situation of guarantee of voluntary work	Maintenance of the awareness of all workers on their rights and duties deriving from the National Labour Collective Agreement	No. of complaints	0
Health & Safety	Maintenance of the current situation of absence of complaints	Maintenance of employee awareness through training, information and meetings with Health and Safety Officer and occupational physician	No. of complaints	0
			<i>* Please refer to the KPIs of the HSE Department for specific objectives regarding health and safety</i>	
Freedom of association and right to collective bargaining	Maintenance of the current situation of respect for the choices of personnel regarding membership and trade unions	Maintenance of the awareness of all workers on the rights and duties deriving from the National Labour Collective Agreement	No. of complaints	0
Discrimination	Maintenance of the current situation of non-discrimination with respect to its employees	Maintaining employee awareness of company policy and Code of Ethics	No. of complaints	0
Disciplinary practices	Maintenance of the current situation of compliance with disciplinary practices procedures (0 trade union disputes) against their own employees and/or collaborators pursuant to the National Labour Collective Agreement	Maintenance of employee awareness of the company policy and Code of Ethics	Trade Union Disputes	0
			No. of complaints	0
Working hours	Taking of holiday leave + permits throughout the year	Organisation of work so that workers can take advantage of what they have accrued and that overtime work is not used only in exceptional cases	Holiday leave taken + permits / Holidays + permits accrued (%) in FY22	80%
	Reduction in the number of remaining holidays		Reduction in the number of remaining holidays	5%
	Maintenance of the current situation of compliance with the overtime admitted by the National Labour Collective Agreement		Number of overruns of the maximum overtime allowed	0
			No. of complaints	0
Remuneration	Maintenance of an adequate minimum net wage	Maintenance and adjustment of contractual levels	No. of people with Salary < minimum company Salary	0
			No. of complaints	0
Providers	Qualification of all crucial suppliers	Send and collect the signature of the documentation sent by part of the crucial suppliers	No. of documentation received / No. of documentation sent	100%
	Compliance with undersigned commitments	Audit at suppliers	No. of Audits	100% of the share foreseen for FY22



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Table 2 - SA8000 Management System improvement action

Action	Responsibility
Indicator analysis: improve the methods of data collection and analysis in order to make the analysis of the indicators more analytical.	SA8000 management system operators
Living wage: improve the customization of the calculation method by creating a corporate family unit model, distinguished by geographical area	HR