



SA800 Social Accountability Report

Financial Year 23
(01/04/2022 - 31/03/2023)



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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 shaping 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, such as:

- 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 embark on 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 Report

This is STERIS' third Social Accountability Report, updated to 31/03/2023 and covering the 2023 financial year.

The aim of the SA8000 Social Accountability Report 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.

Company Description

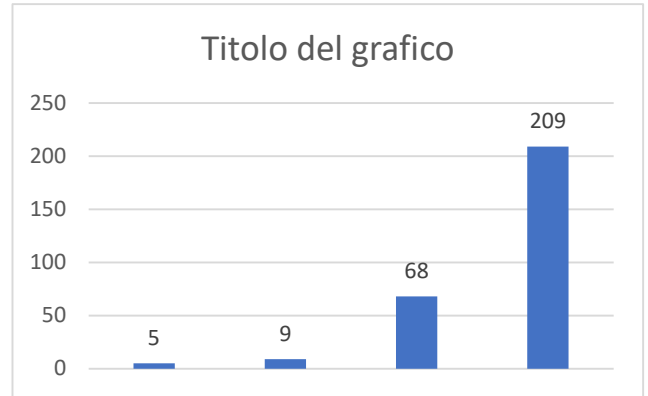
1.1 The Company

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 31/03/2023



1.2 Core Values

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

- **Customers first: always.** Our customer is the key element of our business and must be treated with the utmost respect. No business activity, apart from safety, is more important than listening, understanding and providing solutions for excellent products and services to our customers.
- **People: our foundation.** We are committed to the safety and success of our staff. We expect our employees to continuously improve their performance through personal initiative and appropriate support. We treat everyone with mutual respect and we enjoy our work.
- **Innovation: we are the best.** We are leaders, not followers. Our company is built on a series of innovative ideas and a passion for continuous improvement. We challenge the status quo and take calculated risks, evaluating big and small ideas that improve our performance every day. We provide innovative product and service solutions to our customers.
- **Teamwork: winning together.** We believe that through unity of purpose and teamwork we can achieve more than we could on our own. We draw strength from each other and communicate fairly, openly, respectfully and courageously - respectfully expressing our ideas even if they are unpopular. We work together to turn interesting ideas into great solutions for products and services.
- **Responsibility: as of now.** We account for and deliver on our commitments. We must

hold ourselves and each other accountable for results. We prefer to act today rather than tomorrow. We understand that value is created in our product development centres, in our factories and at our customers' sites.

- Integrity: a management commitment. We are responsible for the long-term success of our company and our employees. We are trustworthy and honest and conduct our business in a professional, ethical and legal manner. We reject actions that are inconsistent with our values.

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

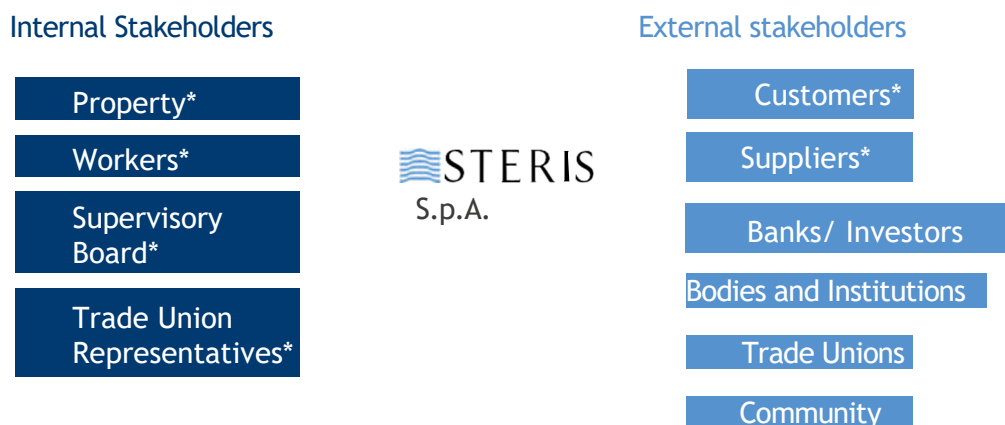
- staff welfare via respect for individuals, promotion of professional growth and working relationships based on mutual trust;
- fairness of relationships with suppliers and all stakeholders, via clear, transparent relations based on dialogue and continuous discussion;
- transparency and dialogue with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



* Relevant stakeholder

1.4 Social Accountability Policy

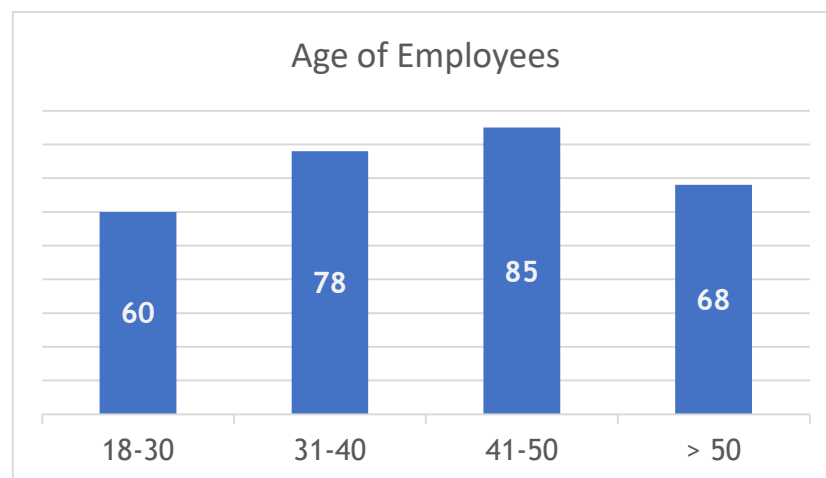
STERIS has developed a Social Accountability Policy in accordance with the SA8000 standard, which is published on the company website at <https://www.steris-ims.it/downloads/>

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 STERIS workforce as of 31/03/2023:



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:

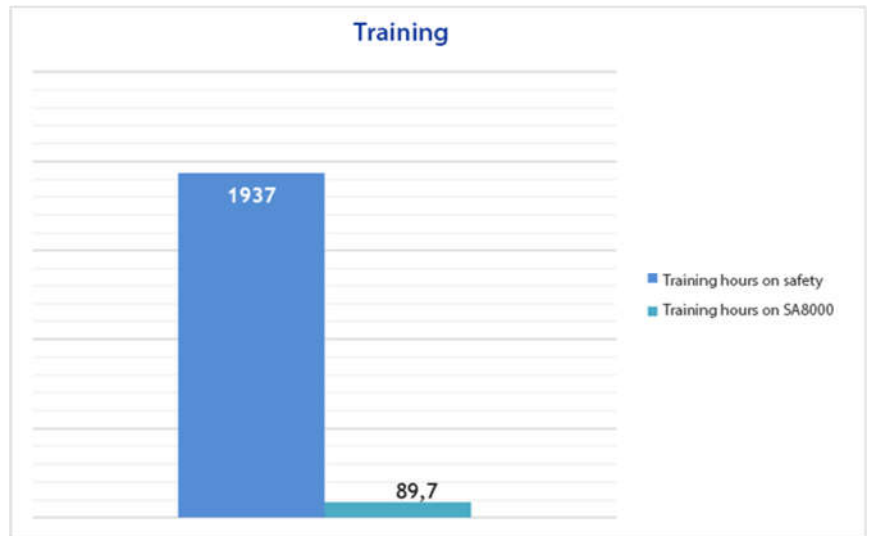
- appointment of a Prevention and Protection Service Manager, who is responsible for the correct application of the required legislation;
- appointment of fire-fighters and first aid workers;
- appointment of Workers’ Safety Representative, with the task of representing workers with regard to aspects 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 FY23 are shown below:

Hours of training performed: 1937 in the field of safety



Accident data

Number of accidents in the workplace: 12
 Total accident days: 203
 Frequency index: 27.03
 Severity index: 0,

2.4 Freedom of Association and the Right to Collective Bargaining

STERIS respects the right of all staff to form 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.

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

A Workers' Representative has been appointed for SA8000, who acts as an intermediary with the Management for all needs or requirements regarding

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.

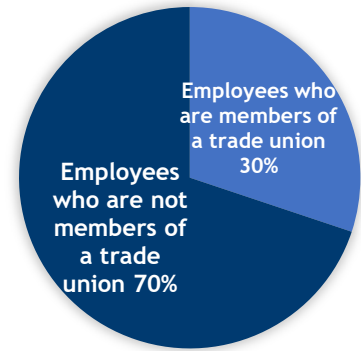
In order to prevent discriminatory events of any kind, STERIS has established an anonymous reporting mechanism, which allows workers to report discrimination they have experienced, and for the company to implement all necessary measures to prevent the event from recurring.

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

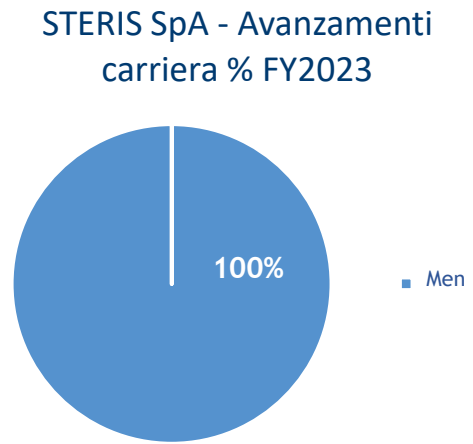
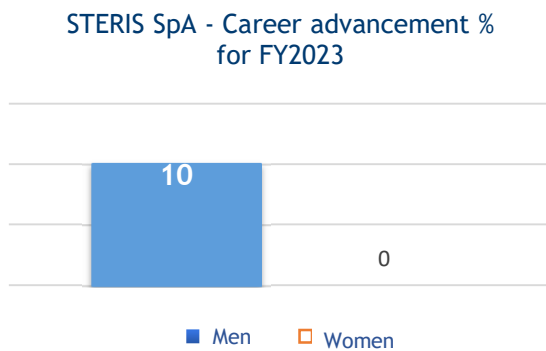
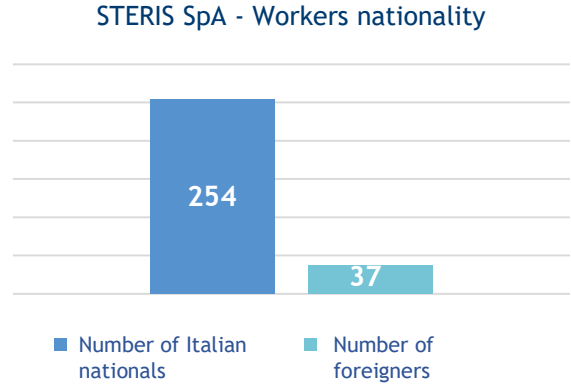
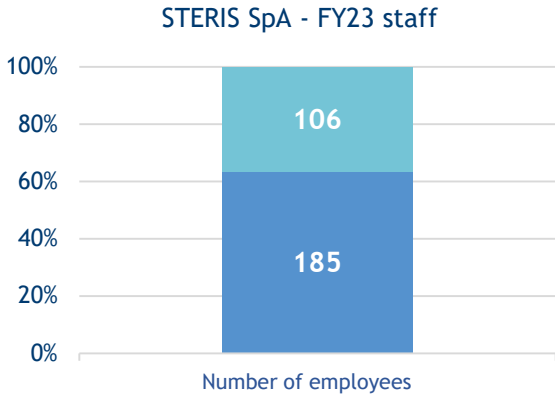
aspects of social accountability.

Trade union membership figures are shown below:

Freedom of association



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



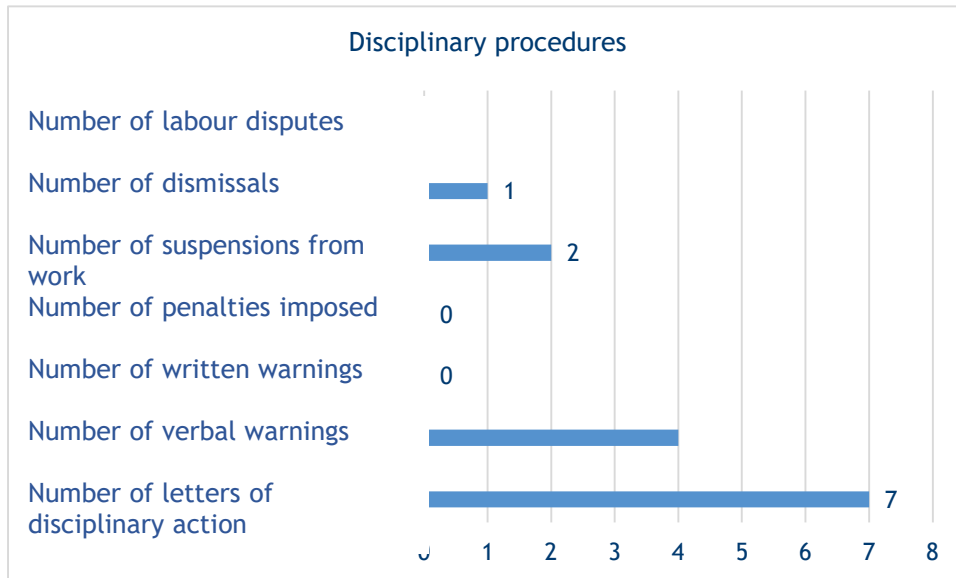
2.6 Disciplinary practices

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:



2.7 Working hours

Working hours fully comply with the applicable National Collective Labour Agreement.

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.

FY23 indicators are provided below:

Percentage of authorised overtime in relation to standard working hours:	4.7%
Number of overruns of the maximum overtime allowed:	6

2.8 Remuneration

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.

In FY22, a corporate bonus of at least 3% was implemented; this bonus is dependent on the

employee's achievement of targets.

Social Accountability Management System

3.1 Introduction

STERIS has implemented a SA8000 Management System.

The system is managed via comprehensive documentation which includes:

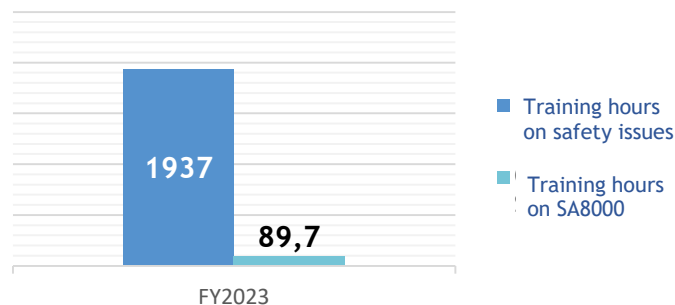
- a Social Accountability manual, which describes the System, the activities put in place to implement the company's policy and the allocation of roles and responsibilities as required by the relevant legislation.
- system procedures, developed to provide a detailed, documented description of how the activities that must be carried out are to be performed, in accordance with the SA8000 standard;
- 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 FY23, training was provided to all new recruits (about 1.5-2 hours each for a total of 89.7 hours) on topics related to SA8000 requirements and the implemented management system. The training provided was successful and the staff did not show any need for further study of the topics.

Training for FY2023



3.3 Dialogue with stakeholders

During FY23, IT documentation (such as policy, reporting procedure and social reporting) was made public on the website in a dedicated section on social accountability.

However, the main communication tool is the Social Report, which will be published in this updated version on the company's website.

3.4 Monitoring 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:

- letter of intent, 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

As of 31/03/2023, 28 critical suppliers were identified out of 221 used.

The qualification process was successfully completed for 60% of suppliers (18 suppliers).

The remainder did not provide feedback: however, further monitoring activities by the Finance Department, with requests for documentation such as DURC and DSAN (Special Declaration substituting the Affidavit), are ongoing.

Below are the references to the audit activities carried out during FY23:



However, the qualification process is considered to be an ongoing process, constantly running for the inclusion of any new suppliers and for the reminder/request for updated information from suppliers.

3.5 Internal audits

The social accountability management system is monitored via internal audits. Internal audits are planned for the three-year period FY22-FY24; seven internal audits have been conducted in FY23, resulting in no non-conformities (NC) or suggestions for improvement (SG).

3.6 External audits

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

The following inspections took place during FY23, with the following findings:

FY	Audit	Type	Headquarters	Date	Auditor	Findings
						Minor issues
23	Surveillance 2	External	Auxologico Pierlombardo Milano, Trescore Balneario	16, 17/06/2022	CISE	1 remark (from Surveillance Audit 1)
23	Surveillance 3	External	Auxologico Pierlombardo Milano, Trescore Balneario	9, 10/01/2023	CISE	1

3.7 Management Review

Two management reviews have been held in FY23:

- a first review on 21/10/2022, concerning the FY23 data available until then
- on 12/06/2023, concerning the overall figures for the period FY23

During the reviews, improvement objectives were set in relation to the standard requirements and improvement actions for the SA8000 management system.

The status of the objectives and improvement actions planned for FY23 and the new objectives and improvement actions set for the coming FY24 are listed below:

- Objective achieved
- Objective partially achieved
- Objective not achieved

Table 1 - FY23 Objective status and planning for FY24

Aspects	Objective	Action	Indicator	Target FY23	Status FY23	Target FY24
Child and minor labour	Maintenance of the current situation (non-employment of minors)	No hiring of minors	No. of employees under 18 years of age	0	0	0
			No. of justified complaints	0	0	0
Forced labour	Maintenance of the current situation of guarantee of voluntary work	Maintenance of the awareness of all workers on the rights and duties deriving from the National Labour Collective Agreement	No. of justified complaints	0	0	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 Competent Doctor	No. of justified complaints	0	0	0
			* Please refer to the KPIs of the HSE Department for specific objectives regarding health and safety			
Freedom of association and the 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 justified complaints	0	0	0
Discrimination	Maintenance of the current situation of non-discrimination against its employees	Maintenance of employee awareness of the company policy and Code of Ethics	No. of justified complaints	0	0	0
Disciplinary practices	Maintenance of the current situation of compliance with the procedures of disciplinary practices (0 labour disputes) against its employees and/or collaborators in accordance with the National Collective Bargaining Agreement	Maintenance of employee awareness of the company policy and Code of Ethics	Trade Union Disputes	0	0	0
			No. of justified complaints	0	0	0

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Working hours	Use of holidays + paid leave during the year	Organisation of work so that workers can make use of their accrued entitlements and overtime work is used only in exceptional cases	Holidays + paid leave taken/ Holidays + paid leave accrued (%) in FY22	Holidays taken/ Holidays accrued in 2023 for employees with residual holidays dating back to more than 18 months: 85%	The target was evaluated with reference to the calendar year 2022. The target was achieved for 5 out of the 40 people identified, therefore it is considered partially achieved	85%	
	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		0	0
			No. of justified complaints	0		0	0
Remuneration	Maintenance of an adequate minimum net salary	Maintenance and adjustment of contractual levels	No. of persons with Salary < Minimum Salary	0	0	0	
			No. of justified complaints	0	0	0	
Suppliers	Qualification of all crucial suppliers	Send and collect signatures of documentation submitted from critical suppliers	No. of documents received / No. of Documents submitted	100%	60%	100%	
	Compliance with the commitments	Audit at suppliers'	No. of audits	100% of the number foreseen for FY23		20%	100% of the number foreseen for FY24

Table 2 - Status of SA8000 Management System Improvement Actions for FY23 and Planning for FY24

Actions for FY23		
Action	Responsibility	Status
Implementation of the SA8000 management system at the 3 new company sites: Ariccia, Castelli and Fatebenefratelli Naples	SA8000 management system operators	Completed

Actions for FY24		
Action	Responsibility	Status
Implementation of SA8000 management system at the new company site at San Raffaele Hospital Milan	SA8000 management system operators	New action for FY24